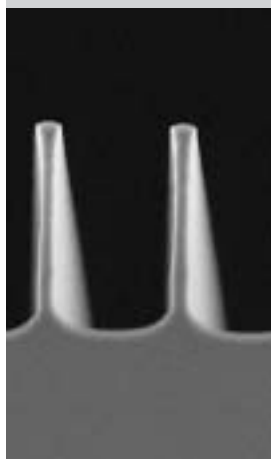




ANNUAL REPORT 2004

TOPSIL
PURE SILICON

CVR-NO. 24932818





Photos: MIC, Søren Wesseltøft, BP Solar, Nokia, Bendix, TeknoGrafik and SunPower.

POWER

WIRELESS

AUTOMOTIVE

DETECTOR

INFRARED

MEMS



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Company details

Topsil Semiconductor Materials A/S
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 DK-3600 Frederikssund
 Central Business Registration No. 24 93 28 18
 Telephone: +45 4736 5600
 Telefax: +45 4736 5601
 E-mail: topsil@topsil.com
 Web: www.topsil.com

Board of Directors:

Doris Hsu, Non-Executive Director
 Chairman

Kent Hansen, Non-Executive Director

Jon Wulff Petersen

Staff Representatives:

Trine Schønnemann, Key Account Manager

Theis Leth Larsen, Production Engineering Manager

Other Directorships and Management Positions held by the Board of Directors and Management:

Director of Sino-American Silicon Products Inc., Taiwan
 President of Creative Sensor Inc., Taiwan
 Chairman of Topsil International A/S

Managing Director of Danish Venture Management A/S
 Associate Partner of CAM Private Equity Consulting & Verwaltungs-GmbH
 Director of Topsil International A/S

Vice Director of Risø National Laboratory

Management:

Peder Mohr Jensen, Managing Director Director and Managing Director of Topsil International A/S

Jørgen Bødker, Sales & Marketing Director

Company auditors:

Deloitte
 Statsautoriseret Revisionsaktieselskab
 Anders O. Gjelstrup, State Authorised Public Accountant

KPMG C. Jespersen
 Statsautoriseret Revisionsinteressentskab
 Sven Carlsen, State Authorised Public Accountant

The Annual General Meeting adopted the annual report on 15 April 2005.

Chairman

Statement by the Management on the annual report

We have today presented the annual report of Topsil Semiconductor Materials A/S for 2004.

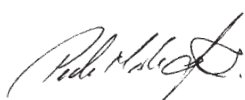
The annual report has been presented in accordance with the Danish Financial Statements Act, Danish Accounting Standards and the financial reporting requirements of the Copenhagen Stock Exchange. We consider the applied accounting policies appropriate for the annual report to provide a true and fair view of the Group's and Company's assets, equity and liabilities, financial position, results and cash flows.

We recommend the annual report for adoption at the Annual General Meeting.

Please note that this translation is provided for convenience only. The Danish version shall prevail in case of discrepancies.

Frederikssund, 14 March 2005

Management:



Peder Mohr Jensen
Managing Director



Jørgen Bødker
Sales & Marketing Director

Board of Directors:



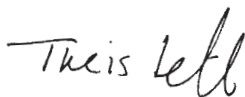
Doris Hsu
Chairman



Kent Hansen



Jon Wulff Petersen



Theis Leth Larsen

(Staff Representatives)



Trine Schønnemann

Auditors' report

To the shareholders of Topsil Semiconductor Materials A/S

We have audited the annual report of Topsil Semiconductor Materials A/S for the financial year 2004, prepared in accordance with the Danish Financial Statements Act, Danish Accounting Standards and the financial reporting requirements of the Copenhagen Stock Exchange.

The annual report is the responsibility of the Company's Management. Our responsibility is to express an opinion on the annual report based on our audit.

Basis of opinion

We conducted our audit in accordance with Danish Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual report. An audit also includes assessing the accounting policies used and significant estimates made by Management, as well as evaluating the overall annual report presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not resulted in any qualification.

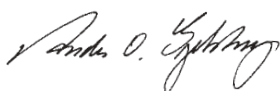
Opinion

In our opinion, the annual report gives a true and fair view of the Group's and the Parent Company's financial position at 31 December 2004 as well as of the results of their operations as well as the consolidated cash-flows for the financial year 2004 in accordance with the Danish Financial Statements Act, Danish Accounting Standards and the financial reporting requirements of the Copenhagen Stock Exchange

Copenhagen, 14 March 2005

DELOITTE

Statsautoriseret Revisionsaktieselskab



Anders O. Gjelstrup

State Authorised Public Accountant

KPMG C. Jespersen

Statsautoriseret Revisionsinteressentskab



Sven Carlsen

State Authorised Public Accountant

Financial highlights (Group)

5 years' key figures, DKK '000	2004	2003	2002	2001	2000
Revenue	115,657	117,651	111,883	132,102	116,787
Operating profit/(loss)	1,996	(15,482)	2,866	2,085	(34,313)
Net financials	(2,787)	(1,141)	2,472	(6,584)	(13,526)
Profit or loss from ordinary activities after tax	(781)	(16,625)	5,350	(4,499)	(33,839)
Net profit/loss for the year	(781)	(16,625)	5,350	(4,499)	(33,839)
Fixed assets	37,186	44,321	56,020	53,343	66,778
Inventories	*46,361	*48,831	48,584	63,294	58,395
Trade receivables	6,499	18,172	13,086	8,939	29,283
Equity	61,074	62,953	77,164	24,845	28,221
Provisions	0	0	0	1,313	5,758
Long-term liabilities other than provisions	17,804	28,505	26,335	10,750	16,764
Short-term liabilities other than liabilities	34,325	40,227	58,663	110,609	114,859
Balance sheet total	113,203	131,685	162,162	147,517	165,602

Ratios

Profit margin (%)	1.7	(13.2)	2.6	1.6	(29.4)
Working capital ratio	**221	**217	181	85	86
Return on equity (%)	(1.3)	(23.7)	10.5	(17.0)	(145.4)
Equity ratio (%)	54.0	47.8	47.6	16.8	17.0
Earnings Per Share (EPS)	0.00	(0.06)	0.02	(0.08)	(0.59)
Equity value	0.23	0.24	0.30	0.43	0.50
Quoted price	0.28	0.62	***0.35	1.63	***3.24
Dividends per share	0	0	0	0	0
Price/equity value	1.22	2.58	1.17	3.79	6.48
Average number of staffe	84	93	88	92	128

2004 and 2003 comprise the consolidated figures for Topsil International A/S.

* Inventories comprise buildings and machinery identified for sale in 2004, corresponding to approx. DKK 14.2 m. The amount in 2003 was DKK 12.5 m.

** The working capital ratio includes buildings and machinery identified for sale.

*** At the Extraordinary General Meeting on 10 August 2000, the Company changed the denomination of its shares from DKK 100 nominal to DKK 1.00 nominal, and at the Annual General Meeting on 15 May 2002 the denomination was changed from DKK 1.00 nominal to DKK 0.25 nominal.

In 2005 the IFRS will be implemented. However, it is not expected to influence the highlights or ratios.

Calculation of ratios

Profit Margin	$\frac{\text{Net profit/loss before interest, etc.} \times 100}{\text{Revenue}}$
Working capital ratio	$\frac{\text{Current assets} \times 100}{\text{Short-term liabilities other than liabilities}}$
Equity ratio	$\frac{\text{Equity at year-end} \times 100}{\text{Total liabilities and equity at year-end}}$
Profit/loss for analytical purposes	Profit/loss from ordinary activities less tax on profit or loss from ordinary activities
Return on equity	$\frac{\text{Profit/loss for analytical purposes} \times 100}{\text{Average equity}}$
Earnings Per Share (EPS)	$\frac{\text{Profit/loss for analytical purposes}}{\text{Average number of shares}}$
Equity value at year-end	$\frac{\text{Equity at year-end}}{\text{Number of shares at year-end}}$
Quoted price at year-end	Price of quoted shares at year-end
Dividends per share	$\frac{\text{Dividend rate} \times \text{nominal value of the share}}{100}$
Price/Equity value	$\frac{\text{Quoted price}}{\text{Equity value at year-end}}$

The ratios are calculated according to the abovementioned definitions.

Financial review 2004

The Company produces and sells monocrystalline float zone silicon for the electronic and solar cell markets. Production takes place by transforming raw poly silicon into monocrystalline silicon through melting and re-crystallisation.

The Company's revenue for 2004 reached DKK 115.7m compared to DKK 117.6m in 2003, which included approx. 10% revenue from sales of equipment and technology. Accordingly, there has been an actual growth in sales of ingots and wafers of approx. 9.6% in 2004. The volume in the electronic segment has grown by 28%, and the total volume by 55% driven by deliveries to the solar cell market.

Throughout year 2004 the Company delivered solar cell material to SunPower.

The Company's revenue for 2004 has been negatively affected by the falling US dollar rate during 2004 compared to 2003, however, the dollar had only minor impact on the result.

At the end of 2004 the Company has seen a temporary decrease in the order intake.

The operating profit for the year was DKK 2.0m against an operating loss of DKK 15.5m in 2003.

The net loss for the year was DKK 0.8m against a net loss of DKK 16.6m in 2003.

Compared to previous expectations of a small positive net profit before tax for the full year, an adjustment has been made in the 2004 accounts. As announced to the Copenhagen Stock Exchange on 21 January 2005 a settlement of a legal case in January 2005 affected the accounts negatively.

Apart from the impact of this legal case, the Board of Directors and Management consider the results satisfactory and the development in line with the business improvement plan, which was initiated in 2003.

The Board of Directors recommends the Annual General Meeting not to pay dividend for the financial year 2004, and to carry forward the loss to equity.

Consolidated accounts

It has been decided to reactivate the subsidiary Topsil International A/S with the purpose of letting Topsil International A/S handle certain specific activities of the group. In that context the group sold its land and buildings to Topsil International A/S.

IFRS

The Group has decided to prepare the Parent Company and Group accounts in accordance with IFRS as from 2005. A transition to IFRS is not expected to affect profit or equity materially.

Balance

Assets

Throughout year 2004 the balance sheet total decreased DKK 18.5m primarily due to a decrease of fixed assets, accounts receivable and inventories, excl. buildings and machinery for sale.

Liabilities

During 2004 the long-term and short-term interest bearing debt decreased DKK 10.2m in total.

Share Capital

Due to an exercise of warrants the share capital increased DKK 0.7m.

Cash flow

There was a positive cash flow of DKK 1.6m for the full year 2004 compared to a negative cash flow of DKK 12.9m in 2003. This has improved the liquidity position, implying that cash and cash equivalents at year-end 2004 increased to DKK 2.5m against DKK 0.9m in 2003.

Research and development activities

The Company continues to focus on optimising the production processes and developing new products to meet the demand of the high purity silicon market.

The Company has also continued to further develop high resistivity products, and has a unique position in the communication market.

Under the 3-year PSO/Eltra program (ending 2006) the Company has focused on development activities that will reduce the production price of FZ-silicon for high efficiency solar cells.

The Company is a member of a consortium financially supported by the EU, which carries out research and development of materials for solar cells. The Company's contribution to this project was to develop monocrystalline silicon for solar cells with an efficiency of at least 20%. The project ended 31 December 2004, and the goals for the projects were achieved.

Intellectual capital resources

The Company focuses on further development of its employees, and annual appraisal interviews are held with all the employees. These interviews show competences, cooperation relations and training needs in relation to the Company's objectives.

The Company's holding of 2,066,298 warrants was distributed to the management team in the first quarter of 2004 as part of their remuneration package. So far the contents of a new incentive package have not been finally decided.

Outlook

The Company expects revenue for the full year at the same level as 2004 and a profit before tax for 2005 to be in the range of DKK 1-5m.

In the beginning of 2005 the orders on the books totaled about DKK 29m against DKK 49m at the beginning of 2004. This is lower due to the deliveries on the SunPower contract and due to the temporary decrease of order intake.

As a result of the low order intake during the fourth quarter of 2004 the Company expects to report a loss before tax in the first part of 2005.

During the last 3 months the order intake on the electronic has returned to the expected level. The expectations for 2005 as a whole are based on the present market conditions, and on the assumption that these conditions will remain during 2005.

The remaining part of the SunPower order is expected to be fulfilled at the end of the first quarter of 2005. The Company expects to receive a new purchase order from SunPower covering the rest of 2005 by the end of the first quarter 2005.

The Company is in the process of having its solar cell material qualified by other solar cell manufacturers. It is expected that deliveries to these customers can be initiated at the end of 2005.

The Company is in the final phase with a potential buyer to the buildings and land, and it is expected that a deal can be finalized in the first half of 2005. This deal will include a lease-back arrangement.

Particular risks

Operating risks

A significant part of the Company's sales has been made to less than 25 customers of which no customer takes more than 20% of the Company's total sales. The sales to the Company's 10 largest customers account for about DKK 80m.

Access to raw silicon is crucial to the Company's production. There are only eight producers of raw silicon worldwide for which reason stable supply requires a strong bargaining position. However, new capacity is anticipated to emerge in the market if security of supply cannot be guaranteed. Today, the Company uses different suppliers who are able to supply raw silicon of a quality that has been approved by the Company, and negotiations are in progress with other suppliers.

Today, the Company uses three or four different subsuppliers for cutting and re-processing of silicon ingots. The largest subsupplier is Sino-American Silicon Inc., who is one of the Company's principal shareholders. All contracts with Sino-American Silicon Inc. are concluded on an arm's length basis.

The Company is the fourth largest supplier of float zone silicon, but still a small player among large competitors. If the competitors target the Company very focused, this could be a risk in medium term.

The capital base may turn out to be insufficient if the political uncertainty prevailing world-wide results in a development of the markets which differs significantly from what the analysts predict at the moment.

Financial exposure

Credit risks

Credit risks related to financial assets correspond to the values recognised in the balance sheet. Part of the invoice-discounted claims is insured through a factoring company.

Currency exposure

The Company does not use derivative financial instrument to hedge currency exposure. Instead, a commercial hedge is used by balancing the Company's inflow and outflow of currency. USD account for about 65% of the currency flow, and the maximum currency exposure is estimated to account for +/- DKK 35,000 a month if the USD rate fluctuates by +/- DKK 0.50.

Interest rate exposure

The Company's total debt with floating interest rate accounts for about DKK 19.5m. A change in the interest rate level of 1 percentage point will affect the Company's results by +/- DKK 0.2m p.a.

Events after the balance sheet date

The Company has settled a legal case subsequent to the balance sheet date. The impact of the settlement has been recognised in the accounts for 2004. No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

List of stock market releases in 2004 & 2005

Topsil Semiconductor Materials A/S has issued the following notifications to the Copenhagen Stock Exchange:

2004:

05.01	Statement of shareholdings held by insiders at 22 December 2003
05.01	Quarterly statement of shareholdings
12.01	Financial calendar 2004
12.02	Announcement of annual report 2003
05.03	Statement of shareholdings held by insiders at 4 March 2004
08.03	Statement of shareholdings held by insiders at 8 March 2004
17.03	Statement of shareholdings held by insiders at 16 March 2004
23.03	Statement of shareholdings held by insiders at 23 March 2004
24.03	Notice convening the Annual General Meeting
25.03	Topsil warrant
29.03	Quarterly statement of shareholdings
15.04	Summary of Annual General Meeting 2004
04.05	Quarterly report, Q1 2004
18.06	Quarterly statement of shareholdings
25.08	Interim report 2004
03.09	Statement of shareholdings held by insiders at 2 September 2004
24.09	Statement from the Board of Directors as a consequence of articles in the press and enquiries to the company
08.10	Quarterly statement of shareholdings
04.11	Quarterly report, Q3 2004
20.12	Quarterly statement of shareholdings

2005:

21.01	Financial calendar 2005
21.01	Adjustment of 2004 expectations
24.01	Change in the Board of Directors

Financial calendar 2005

15.04	Annual General Meeting
10.05	Quarterly report, Q1 2005
26.08	Interim report – six months
07.11	Quarterly report, Q3 2005

Pursuant to the Company's internal rules and Executive Order No 774 (section 6(4)) of the Danish Financial Supervisory Authority, quarterly statements of shareholdings held by insiders will be filed no later than three trading days after expiry of the allowed six-week trading period following the publication of interim reports and notifications of annual reports.

Please direct any questions about notifications to the Copenhagen Stock Exchange to:

Doris Hsu, Chairman - phone +45 47 36 56 31

Peder Mohr Jensen, CEO - phone +45 47 36 56 10

Annual general meeting

The Annual General Meeting will be held at 9.30 a.m. on Friday, 15 April at Plesner, Amerika Plads 37, 2100 Copenhagen Ø. The annual report will be available on 4 April 2005 in PDF under investor relations at the website of the Company www.topsil.com, or a written request can be made to the Company.

Ownership

The Company's share capital amounts to DKK 65,525,018.50 distributed on 262,100,074 shares in denominations of DKK 0.25 nominal.

Shareholders At 31 December 2004	Number of shares	Capital DKK	Capital %	Votes %
Sustainable Energy Ventures, Hooikaai 55, 1000 Brussels, Belgien	41,326,519	10,331,629.75	15.77	15.77
Sino-American Silicon Products Inc., 8, Industrial East Road, Sec. 2, Science-Based Industrial Park, Hsin-Chu, Taiwan	40,181,257	10,045,314.25	15.33	15.33
EDJ-Gruppen, Bangs Gård, Torvet 21, 6701 Esbjerg, Denmark	21,711,812	5,427,953.00	8.28	8.28
Other registered shareholders	104,459,708	26,114,927.00	39.86	39.86
Non-registered shareholders	54,420,778	13,605,194.50	20.76	20.76
Total	262,100,074	65,525,018.50	100.00	100.00

Ownership

Company	Country	% owned by Topsil Semiconductor Materials A/S
Topsil Semiconductor Materials A/S	Denmark	
Subsidiaries		
Topsil International A/S	Denmark	100
Topsil Inc.	USA	100

Accounting policies

The annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act, Danish Accounting Standards and the financial reporting requirements of the Copenhagen Stock Exchange.

The accounting policies applied for this annual report are consistent with those applied last year

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise Topsil Semiconductor Materials A/S (Parent Company) and the Group Enterprises (subsidiaries) that are controlled by the Parent Company. Control is achieved by the Parent Company, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Topsil Semiconductor Materials A/S and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. On acquisition of enterprises, provisions are made for costs relating to decided and published restructurings in the acquired enterprise. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life, however, no more than 20 years.

Negative differences in amount (negative goodwill), corresponding to an estimated adverse development in the relevant enterprises, are recognised in the balance sheet under deferred income, and they are recognised in the income statement when such adverse development is realised.

Profits or losses from divestment of equity investments

Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, inclusive of non-amortised goodwill and estimated divestment or winding-up expenses.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the average exchange rates that do not vary materially from the rates at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date, are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging of the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly on equity. When the hedged transactions are realised, the changes are recognised in the relevant items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Changes in the fair value of derivative financial instruments applied for hedging net investments in independent foreign subsidiaries or associates are classified directly as equity.

Income statement

Revenue

Revenue from sale of manufactured goods is recognised in the income statement when delivery is made, and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts.

Other operating income and expenses

Other operating income and expenses comprise income and expenses of a secondary nature viewed in relation to the Company's primary activities, including gains and losses from the sale and loss of intangible assets, property, plant and equipment, subsidiaries, rental income, licence income, etc.

Costs of raw materials and consumables

Cost of raw materials and consumables comprises direct costs incurred to earn revenue. Cost of raw materials and consumables also includes costs of development projects that do not meet the criteria for recognition in the balance sheet.

Other external expenses

Other external expenses comprise expenses for distribution, sale, marketing, administration, premises, bad debts, etc.

Other external expenses also include research costs, costs of development projects that do not meet the criteria for recognition in the balance sheet, and amortisation of recognised development projects. In addition, provisions for loss on contract work in progress are recognised.

Staff costs

Staff costs comprise salaries and wages as well as social security costs, pension contributions etc. for the Company's staff.

Financial income and expenses

These items comprise interest income and expenses, the interest portion of finance lease payments, realised and unrealised capital gains and losses on securities, payables and transactions in foreign currencies, amortisation premium/allowance on mortgage debt, etc as well as tax surcharge and repayment under the Danish Tax Prepayment Scheme.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit/loss for the year and recognised directly on equity by the portion attributable to entries directly on equity. The portion of the tax taken to the income statement, which relates to extraordinary profit/loss for the year, is allocated to this entry whereas the remaining portion is taken to the year's profit/loss from ordinary activities.

The current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities. The tax-based value of the assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforward, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

The Company is jointly taxed with all of its wholly owned Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed Danish companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Development projects

Development projects consist of development of products and production processes. Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

Development costs comprise costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

On completion of the development project, the development costs are amortised straight-line over its estimated useful life. The amortisation period is usually 5 years, but it may be up to 20 years if the longer amortisation period is considered to better reflect the Company's benefit from the developed product, etc. For development projects, protected by intangible rights, the maximum period of amortisation amounts to the remaining duration of the relevant rights, however, maximum 20 years.

Development projects, including projects in progress, patents and licences, are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation. For company-manufactured assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Interest expenses on loans for financing the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other financing costs are recognised in the income statement.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	20 years
Installations	6 years
Plant and machinery	10-20 years
Other fixtures and fittings, tools and equipment	3-6 years

Assets costing less than DKK 10,800 per unit are recognised as costs in the income statement at the time of acquisition.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Profits and losses from the sale of property, plant and equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Profits or losses are recognised in the income statement together with depreciation and impairment losses or under other operating income if the selling price exceeds original cost.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method. This means that, in the balance sheet, investments are measured at the pro rata share of the enterprises' equity plus or minus unrealised intra-group profits or losses.

The Company's share of the enterprises' profits or losses after elimination of unrealised intra-group profits and losses is recognised in the income statement.

Subsidiaries with a negative equity value are measured at zero value, and any receivables from these enterprises are written down by the Company's share of such negative equity if it is deemed irrecoverable. If the negative equity exceeds the amount receivable, the remaining amount is recognised under provisions if the Company has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Net revaluation of investments in subsidiaries is taken to reserve for net revaluation under the equity method if the carrying amount exceeds cost.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost of raw materials and consumables consists of purchase price plus landing costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables and direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of and depreciation and impairment losses on machinery, factory buildings and equipment applied for the manufacturing process as well as costs of factory administration and management. Financing costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Machinery and land and buildings for sale are revaluated at market price with deduction of the expected sales costs.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less provisions for bad debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Equity

Dividends are recognised as a liability at the time of adoption at the general meeting. The proposed dividends for the financial year are disclosed as a separate item under equity.

Acquisition and selling prices as well as dividends on treasury shares are classified directly as equity under retained earnings.

Other provisions

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date.

Mortgage debt

At the time of borrowing, mortgage debt is measured at cost which corresponds to the proceeds received less transaction costs incurred. The mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Lease commitments

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are recognised at amortised cost, which usually corresponds to nominal value.

Deferred income

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the Company's cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividends.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank debt.

Income statement for 2004

Note	DKK '000	Group		Parent Company	
		2004	2003	2004	2003
1	Revenue	115,657	117,651	115,657	117,651
	Change in inventories of finished goods and work in progress	(2,536)	(16,361)	(2,536)	(16,361)
	Work performed for own account	4,763	3,533	4,763	3,533
2	Other operating income	97	3	1,997	3
	Costs of raw materials and consumables	(66,459)	(61,368)	(66,459)	(61,368)
	Other external expenses	(14,866)	(14,465)	(14,863)	(14,462)
3	Staff costs	(30,190)	(32,875)	(30,190)	(32,875)
4	Depreciation and amortisation	(4,470)	(11,600)	(4,470)	(11,600)
	Operating profit/(loss)	1,996	(15,482)	3,899	(15,479)
	Profit before tax in subsidiaries	-	-	(1,870)	8
5	Financial income	497	3,423	497	3,423
6	Other financial expenses	(3,284)	(4,564)	(3,317)	(4,575)
	Loss from ordinary activities	(791)	(16,623)	(791)	(16,623)
7	Tax on loss from ordinary activities	10	(2)	10	(2)
	Net loss for the year	(781)	(16,625)	(781)	(16,625)
	Proposed distribution of loss				
	Transferred to reserve for net revaluation under the equity method			(31)	
	Retained earnings			(750)	
				(781)	

Assets

Balance sheet at 31 December 2004		Group		Parent Company	
Note	DKK '000	2004	2003	2004	2003
8	Completed development projects	16,855	10,351	16,855	10,351
8	Development projects in progress	6,507	15,034	6,507	15,034
	Patents	45	56	45	56
	Intangible assets	23,407	25,441	23,407	25,441
	Land and buildings	0	4,046	0	4,046
	Plant and machinery	13,071	3,891	13,071	3,891
	Other fixtures and fittings, tools and equipment	536	813	536	813
	Property, plant and equipment in progress	169	10,127	169	10,127
9	Property, plant and equipment	13,776	18,877	13,776	18,877
	Investments in subsidiaries	-	-	0	531
	Other investments	3	3	3	3
10	Fixed asset investments	3	3	3	534
	Fixed assets	37,186	44,321	37,186	44,852
	Raw materials and consumables	8,527	7,871	8,527	7,871
	Work in progress	6,139	8,406	6,139	8,406
	Manufactured goods and goods for resale	17,477	20,022	17,477	20,022
11	Buildings and machinery for sale	14,218	12,532	1,118	12,532
	Inventories	46,361	48,831	33,261	48,831
12	Receivables from subsidiaries	-	-	13,661	0
13	Trade receivables	6,499	18,172	6,499	18,172
	Other receivables	6,183	3,061	6,191	3,061
	Prepayments	276	390	276	390
7	Deferred tax assets	13,822	13,422	13,822	13,422
	Receivables	26,780	35,045	40,449	35,045
	Cash	2,876	3,488	2,876	3,488
	Current assets	76,017	87,364	76,586	87,364
	Assets	113,203	131,685	113,772	132,216

Liabilities

Balance sheet at 31 December 2004		Group		Parent Company	
Note	DKK '000	2004	2003	2004	2003
14	Share capital	-	-	65,525	64,837
15	Revaluation reserve	-	-	214	9,500
16	Reserve for net revaluation according to the equity method	-	-	0	31
17	Retained earnings	-	-	(4,665)	(11,415)
	Equity	61,074	62,953	61,074	62,953
	Mortgage debt	2,801	4,545	2,801	4,545
	Other credit institutions	15,003	23,960	15,003	23,960
18	Long-term liabilities other than provisions	17,804	28,505	17,804	28,505
18	Mortgage debt	1,744	1,652	1,744	1,652
18	Other credit institutions	7,353	6,923	7,353	6,923
	Trade creditors	12,730	18,250	12,730	18,250
19	Payables to subsidiaries	-	-	572	533
	Convertible and profit yielding bonds	0	905	0	905
	Other payables	12,498	12,497	12,495	12,495
	Short-term liabilities other than provisions	34,325	40,227	34,894	40,758
	Liabilities other than provision	52,129	68,732	52,698	69,263
	Equity and liabilities	113,203	131,685	113,772	132,216

23-25 Recourse guarantee commitments and contingent liabilities

26-27 Other notes

Statement of changes in equity for 2004

(Group)

DKK '000	Total
Equity at 1 January 2004	62,953
Bond conversion	2
Exercise of warrants	686
Revaluation reserve	(2,186)
Deferred tax on revaluation	400
Net loss for the year	(781)
Equity at 31 December 2004	61,074

(Parent Company)

DKK '000	Share capital	Revaluation reserve	Reserve for net revaluation of investments	Retained earnings	Total
Equity at 1 January 2004	64,837	9,500	31	(11,415)	62,953
Bond conversion	2	-	-	-	2
Exercise of warrants	686	-	-	-	686
Revaluation reserve on machinery for sale	-	(2,186)	-	-	(2,186)
Deferred tax on revaluation	-	400	-	-	400
Sale of land and building	-	(7,500)	-	7,500	-
Net loss for the year	-	-	(31)	(750)	(781)
Equity at 31 December 2004	65,525	214	0	(4,665)	61,074

Cash flow statement for 2004

Group

Note	DKK '000	2004	2003
	Operating profit/(loss)	1,996	(15,479)
20	Adjustments	4,232	17,832
21	Working capital changes	8,011	(1,535)
		14,239	818
	Interest income, etc. received	497	3,423
	Interest expenses, etc. paid	(3,284)	(4,567)
	Cash flows from operating activities	11,452	(326)
	Acquisition of property, plant and equipment and intangible assets	(982)	(17,181)
	Cash flows from investing activities	(982)	(17,181)
	Instalments on liabilities other than provisions	(8,855)	6,282
	Instalments on lease commitment	0	(2,063)
	Sale of treasury shares	0	398
	Cash flows from financing activities	(8,855)	4,617
	Cash flows for the year	1,615	(12,890)
	Cash and cash equivalents at 1 January 2004	927	13,817
22	Cash and cash equivalents at 31 December 2004	2,542	927

Notes

1. Segment information

The Company's entire revenue and profit is related to ingot production and wafering for the electronic and PV market. The sales areas are Europe, USA and the Far East. By far the majority of the transactions in the Company are performed in foreign currencies: EURO, USD and JPY. The balance sheet contains assets, that are attributable to both the electronic and PV market.

2. Other operating income

	Group		Parent Company	
DKK '000	2004	2003	2004	2003
Profit from sale of land and buildings	-	-	1,900	0
Other	97	3	97	3
	97	3	1,997	3

3. Staff costs

	Group		Parent Company	
DKK '000	2004	2003	2004	2003
Salaries and wages	28,408	31,195	28,408	31,195
Pension contributions	1,587	1,466	1,587	1,466
Other social security costs	195	214	195	214
	30,190	32,875	30,190	32,875

Of this total remuneration for:

Management	2,356	1,739	2,356	1,739
Board of Directors	450	375	450	375

Average number of employees	84	93	84	93
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4. Depreciation and impairment losses

	Group		Parent Company	
DKK '000	2004	2003	2004	2003
Completed development projects	2,593	2,644	2,593	2,644
Buildings	411	1,647	411	1,647
Plant and machinery	1,138	1,927	1,138	1,927
Other fixtures and fittings, tools and equipment	277	314	277	314
Impairment loss on projects and other plant under construction	51	5,068	51	5,068
	4,470	11,600	4,470	11,600

5. Financial income

	Group		Parent Company	
DKK '000	2004	2003	2004	2003
Remission of debt	0	3,100	0	3,100
Interest on bank deposit	284	112	284	112
Other interest	213	211	213	211
	497	3,423	497	3,423

6. Financial expenses

	Group		Parent Company	
	2004	2003	2004	2003
DKK '000				
Interest on bank debt	1,039	1,817	153	1,817
Interest portion of financial lease payments	0	68	0	68
Interest on mortgage debt	333	429	1,219	429
Other interests and fees	1,753	1,519	1,753	1,519
Interest to Topsil International A/S	-	-	33	11
Exchange adjustments	159	731	159	731
	3,284	4,564	3,317	4,575

7. Tax on profit or loss from ordinary activities

	Group		Parent Company	
	2004	2003	2004	2003
DKK '000				
Current tax	0	0	0	0
This year's change in recognised deferred tax asset	0	0	0	0
Tax in group enterprises	10	(2)	10	(2)
	10	(2)	10	(2)
Income tax for the year can be explained as follows:				
Calculated 30% tax on profit or loss from ordinary activities	247	4,986	247	4,986
Tax effect of:				
- equity items	0	(1,000)	0	(1,000)
- non-tax deductible costs and expenses	0	(9)	0	(9)
- non-capitalized value of tax losses	(237)	0	(237)	0
- tax base value of tax deficit to be carried forward	0	(3,979)	0	(3,979)
Total income tax for the year (income)	10	(2)	10	(2)

Deferred tax asset can be specified as follows:

Recognised tax asset at 1 January	13,422	14,422	13,422	14,422
Additions during the year concerning equity entries	400	(1,000)	400	(1,000)
Recognised tax asset at 31 December	13,822	13,422	13,822	13,422

The tax asset is primarily attributed to tax loss carried forward.

8. Intangible assets

	Group		Parent Company	
	Completed development projects	Development projects in progress	Completed development projects	Development projects in progress
DKK '000				
Cost at 1 January 2004	18,541	15,034	18,541	15,034
Additions	9,097	670	9,097	670
Disposals	0	(9,197)	0	(9,197)
Cost at 31 December 2004	27,638	6,507	27,638	6,507
Amortisation 1 January 2004	(8,190)	0	(8,190)	0
Amortisation	(2,593)	0	(2,593)	0
Amortisation concerning disposals of the year	0	0	0	0
Amortisation at 31 December 2004	(10,783)	0	(10,783)	0
Carrying amount at 31 December 2004	16,855	6,507	16,855	6,507
Carrying amount at 31 December 2003	10,351	15,034	10,351	15,034

9. Property, plant and equipment

	Group			
	Land and buildings	Plant and machinery	Other fixtures etc.	Other plant under construction
DKK'000				
Cost at 1 January 2004	10,812	55,473	5,328	10,127
Additions	15	10,318	0	169
Disposals	(10,827)	(8,299)	0	(10,127)
Cost at 31 December 2004	0	57,492	5,328	169
Revaluation at 1 January 2003	2,946	0	0	0
Disposals concerning sale of building at 31 December 2004	(2,946)	0	0	0
Revaluation at 31 December 2004	0	0	0	0
Depreciation at 1 January 2004	(9,712)	(51,582)	(4,515)	0
Depreciation	(411)	(1,138)	(277)	0
Depreciation regarding disposals of the year	10,123	8,299	0	0
Depreciation at 31 December 2004	0	(44,421)	(4,792)	0
Carrying amount at 31 December 2004	0	13,071	536	169
Carrying amount at 31 December 2003	4,046	3,891	813	10,127

	Parent Company			
	Land and buildings	Plant and machinery	Other fixtures etc,	Other plant under construction
DKK'000				
Cost at 1 January 2004	10,812	55,473	5,328	10,127
Additions	15	10,318	0	169
Disposals	(10,827)	(8,299)	0	(10,127)
Cost at 31 December 2004	0	57,492	5,328	169
Revaluation at 1 January 2003	2,946	0	0	0
Disposals	(2,946)	0	0	0
Revaluation at 31 December 2004	0	0	0	0
Depreciation at 1 January 2004	(9,712)	(51,582)	(4,515)	0
Depreciation	(411)	(1,138)	(277)	0
Depreciation regarding disposals of the year	10,123	8,299	0	0
Depreciation at 31 December 2004	0	(44,421)	(4,792)	0
Carrying amount at 31 December 2004	0	13,071	536	169
Carrying amount at 31 December 2003	4,046	3,891	813	10,127

10. Fixed asset investments

	Group		Parent Company	
	Investments in subsidiaries	Other investments	Investments in subsidiaries	Other investments
DKK '000				
Cost at 1 January 2004	-	3	500	3
Cost at 31 December 2004	-	3	0	3
Net revaluation at 1 January 2004	-	0	31	0
Net share of profit/loss for the year	-	0	(1,860)	0
Negative equity value offset against receivables from subsidiaries	-	0	1,329	0
Net revaluation at 31 December 2004	-	0	(500)	0
Carrying amount at 31 December 2004	-	3	0	3
Carrying amount at 31 December 2003	-	3	531	3
Investments in subsidiaries:				
Topsil International A/S, Frederikssund, wholly owned				
Topsil Inc., Arizona, USA, wholly owned				

11. Buildings and machinery for sale

	Group		Parent Company	
	2004	2003	2004	2003
DKK '000				
Carrying amount, building	13,100	9,453	0	9,453
Carrying amount, machinery	1,118	3,079	1,118	3,079
	14,218	12,532	1,118	12,532
Disclosure on value according to the public land assessment of real property:				
Value according to public assessment of real property at 1 January 2004		17,800		

12. Receivables from subsidiaries

	Group		Parent Company	
	2004	2003	2004	2003
DKK '000				
Topsil International A/S	-	-	15,000	0
Negative equity value offset from investment in subsidiaries	-	-	(1,329)	0
	-	-	13,661	0

13. Trade receivables

To a certain extent trade receivables are provided as security pursuant to factoring agreement. Trade receivables at 31 December 2004 include deposits in cover-for-liabilities account of a total of DKK 1,296k (at 31 December 2003: DKK 6,407k) in the factoring company applied. The financing rate of receivables is 90%. The agreement is to be renegotiated in 2005.

14. Share capital

Share capital consists of 262,100,074 shares at DKK 0.25. The shares have not been divided into classes.

	Group		Parent Company	
	2004	2003	2004	2003
DKK '000				
Share capital at 1 January	64,837	64,828	64,837	64,828
Exercise of warrants	686	0	686	0
Bond conversion	2	9	2	9
Share capital at 31 December	65,525	64,837	65,525	64,837
Treasury shares:				
Holding at 1 January	0	200	0	200
Acquisition in 2003	0	0	0	0
Disposals in 2004	0	(200)	0	(200)
Holding at 31 December	0	0	0	0
Change in share capital from 2000 to 2004	DKK '000			
Share capital at 1 January 2000	34,415			
Reduction of share capital in 2000	(26,500)			
Capital increase in 2000	49,078			
Capital increase in 2001	1,122			
Capital decrease in 2002	(43,587)			
Capital increase in 2002	50,300			
Capital increase in 2003	9			
Capital increase in 2004	688			
Share capital at 31 December 2004	65,525			

15. Revaluation reserve

	Group		Parent Company	
	2004	2003	2004	2003
DKK '000				
Balance at 1 January	-	-	9,500	7,500
Revaluation of machinery	-	-	(2,186)	3,000
Revaluation of buildings	-	-	(7,500)	0
Deferred tax on sale of machinery	-	-	400	(1,000)
Balance at 31 December	-	-	214	9,500
Revaluation reserves concern:				
Land and buildings	-	-	0	7,500
Machinery	-	-	214	2,000
Balance at 31 December	-	-	214	9,500

16. Reserve for net revaluation according to the equity method

	Group		Parent Company	
	2004	2003	2004	2003
DKK '000				
Balance at 1 January	-	-	31	24
Loss for the year allocated to reserve	-	-	(31)	7
Balance at 31 December	-	-	0	31

17. Retained earnings

	Group		Parent Company	
	2004	2003	2004	2003
DKK '000				
Balance at 1 January	-	-	(11,415)	4,812
Sale of land and building	-	-	7,500	0
Sale of treasury shares	-	-	0	398
Amount allocated from loss for the year	-	-	(750)	(16,625)
Balance at 31 December	-	-	(4,665)	(11,415)

18. Long-term liabilities other than provisions

	Group			
	Maturity within 1 year	Maturity after 1 year	Total amortised debt	Total nominal debt
DKK '000				
Mortgage debt	1,744	2,801	4,545	4,635
Credit institutions etc.	7,353	15,003	22,356	22,356
Long-term liabilities other than provisions at 31 December 2004	9,097	17,804	26,901	26,991
Long-term liabilities other than provisions at 31 December 2003	8,575	28,505	37,080	37,247
Due after more than five years:				
Credit institutions etc.		5,924		
		5,924		

	Parent Company			
	Maturity within 1 year	Maturity after 1 year	Total amortised debt	Total nominal debt
DKK '000				
Mortgage debt	1,744	2,801	4,545	4,635
Credit institutions etc.	7,353	15,003	22,356	22,356
Long-term liabilities other than provisions at 31 December 2004	9,097	17,804	26,901	26,991
Long-term liabilities other than provisions at 31 December 2003	8,575	28,505	37,080	37,247
Due after more than five years:				
Credit institutions etc.		5,924		
		5,924		

19. Payables to group enterprises

	Group		Parent Company	
	2004	2003	2004	2003
DKK '000				
Topsil International A/S	-	-	572	533
	-	-	572	533

20. Reguleringer

	Group	
	2004	2003
DKK '000		
Depreciation, amortisation and impairment losses	4,470	11,600
Remission of debt	0	3,100
Income taxes	10	2
Other adjustments	(248)	3,130
	4,232	17,832

21. Working capital changes

DKK '000	Group	
	2004	2003
Change in inventories	5,265	12,283
Change in debtors	8,265	(2,218)
Change in trade payables, etc.	(5,519)	(11,600)
	8,011	(1,535)

22. Cash and cash equivalents

DKK '000	Group	
	2004	2003
Cash	2,876	3,488
Short-term liabilities other than provisions owed to credit institutions	(334)	(2,561)
	2,542	927

23. Assets charged

DKK '000	Group		Parent Company	
	2004	2003	2004	2003
Mortgage debt is secured by way of mortgage on properties. The mortgage also comprises the plant and machinery deemed part of the property.				
Bank debt is secured by way of a deposited mortgage deed registered to the mortgagor on properties of DKK 75,000k nominal and a deposit mortgage deed registered to the mortgagor on plant of DKK 19,600k nominal.				
Carrying amount of mortgaged properties	13,100	12,961	0	12,961
Carrying amount of mortgaged plant	13,071	3,919	13,071	3,919
Deposit on cover-for-liabilities account in factoring company	1,296	6,407	1,296	6,407

24. Lease commitments

DKK '000	Group		Parent Company	
	2004	2003	2004	2003
For the years 2004-2007, operating lease agreements have been concluded on IT equipment				
Annual average expense of operating lease agreements	295	321	295	321

25. Recourse guarantee commitments and contingent liabilities

The Company is a party to an agreement on a purchase of a machine. Furthermore, the Company is a party to some proceedings. The proceedings were closed after the end of the financial year, but the effect is recognised in the annual accounts for 2004.

26. Fee to appointed auditors

	Group		Parent Company	
	2004	2003	2004	2003
DKK '000				
Deloitte:				
Audit	600	400	600	400
Non-audit services	273	389	273	389
	873	789	873	789
KPMG C, Jespersen:				
Audit	70	85	70	85
Non-audit services	0	0	0	0
	70	85	70	85

27. Related parties

Topsil Semiconductor Materials A/S has had transactions with the following related parties with controlling influence in 2004:

Topsil International A/S

Other related parties with whom Topsil Semiconductor Materials A/S has had transactions in 2004:

Board of Directors

Management

Sino-American Silicon Products Inc.

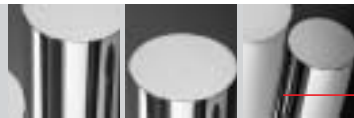
Sustainable Energy Ventures

28. Transactions between related parties and Topsil Semiconductor Materials A/S in 2004:

DKK '000	Group	Parent company
Sino-American Silicon Products Inc.:		
Sale of goods	39,057	39,057
Purchase of goods	36,294	36,294
Interest to Topsil International A/S		33
Loan from Topsil International A/S		572
Loan to Topsil International A/S		15,000
Sale of land and building		15,000

Other remuneration etc. paid to the Management and Board of Directors are disclosed in note 3, staff costs.

All related party transactions have been conducted on an arm's length basis.

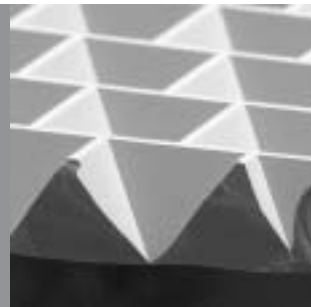


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Topsil is dedicated to production of float zone products and is recognised as the flexible supplier to all applications and customers.

It is Topsil's mission to meet the electronics industry's need for FZ silicon. Our customers demand constant improvements in terms of quality, reliability and co-operation. Consequently, our top priorities are R&D, process improvements and education.



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