



Københavns Fondsbørs  
Nikolaj Plads 6  
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No. 14/02

### **Prospectus Notification**

Further to announcement Nos. 09/02 and 11/02 Topsil Semiconductor Materials A/S announces today that the company will raise DKK 50m in connection with the forthcoming issue of 200m new shares of nominal DKK 0.25 at a price of DKK 0.25 per share with pre-emption right for the present shareholders.

With the forthcoming issue Topsil wishes to:

- Implement a financial reconstruction, where agreements on instalments, interest yield, and discharge are made with the creditors of the company in order to secure the continued operation of the company.
- Increase the possibilities of selling silicon products to the solar cell industry, requiring an expansion of the production capacity.

Consequently the object of the forthcoming issue is to secure sufficient liquidity for Topsil and increase the possibilities of sale to the solar cell industry. With this issue, combined with the earlier announced expectations to the result of the year, the management of Topsil expects to have sufficient liquidity to implement the planned activities, described in detail in the prospectus.

Topsil's shareholders have pre-emptive subscription right to the new shares in the ratio of 2:7, implying that 2 existing shares of nominal DKK 0.25 entitle the holder to subscribe 7 new shares of nominal DKK 0.25. The shareholders of Topsil will be assigned 7 pre-emptive subscription rights by the Danish Securities Centre for every existing share of nominal DKK 0.25. Two pre-emptive subscription rights shall be applied to subscribe one new share.

The right to subscribe new shares rests with the shareholders, who after the update at 12.00 on 13 November 2002, before the beginning of the offering period, are registered by the Danish Securities Centre as shareholders in Topsil.

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A group of existing major shareholders, EHP Toftlund A/S, Spar Nord A/S, Nordea Bank Danmark A/S, Lønmodtagernes Dyrtidsfond (LD Pensions) and Kommunernes Pensionsforsikring (Municipal Pension Insurance Company Limited) have announced that they waive their right to subscribe new shares, and make their pre-emptive subscription rights available for the two new shareholders, Sino-American Silicon Products Inc. (SAS) and Sustainable Energy Ventures (SEV), together with the employees of Topsil.

The two new shareholders, SAS & SEV, have made advance commitments to subscribe a total of 160,000,000 new shares of DKK 0.25 each, corresponding to DKK 40,000,000. It is agreed between the company and the new shareholders that SAS will subscribe 100,000,000 new shares of DKK 0.25 each, corresponding to DKK 25,000,000, and SEV will subscribe 60,000,000 new shares of DKK 0.25, corresponding to DKK 15,000,000. LD and KP have made advance commitments to Handelsbanken Securities to subscribe up to another 40,000,000 new shares, corresponding to up to DKK 10,000,000 split into 50% to each party. It is agreed between the Company and LD & KP, that the subscription of new shares made by LD and KP, under the advance commitment, will be reduced by the number of new shares that may be subscribed by other investors than SAS and SEV. Consequently there are advance commitments made by the new shareholders and LD and KP to subscribe a total of 200,000,000 new shares, corresponding to a total of DKK 50,000,000.

With a 2:7 ratio of subscription a total of 207,589,830 new shares will be offered, but due to the waivers of subscription and the advance commitments the issue will amount to 200,000,000 new shares of nominal DKK 0.25 each, corresponding to DKK 50,000,000.

In consultation with the shareholders waiving to exercise their subscription rights, the Board of Directors of Topsil have decided that the employees of Topsil shall have a possibility of subscribing up to a total of 4,000,000 new shares by utilizing unused pre-emptive subscription rights, for which existing shareholders have declared to waive their subscription rights. These shares will be subscribed at the price of issue, and on the same conditions applying for other shareholders subscribing in accordance with the prospectus. Every employee employed with the company on 1 October 2002 will have a possibility of subscribing up to 40,000 new shares.

Furthermore up to 32,127,876 new shares can be subscribed by exercising the subscription rights assigned to other shareholders than EHP Toftlund A/S, Spar Nord A/S, Nordea Bank Danmark A/D, LD and KP.

Advance commitments for the issue amounting to DKK 50m have been made. The issue will amount to DKK 50m, due to the waiver from the major shareholders and the advance commitments made.

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In connection with the issue shareholders' agreements have been made between SAS, SEV and EHP Toftlund A/S, and between SAS and SEV.

SAS, SEV and EHP Toftlund A/S have made a shareholders' agreement, according to which SAS and SEV have the rights, previous to a third party, to acquire the Topsil shares held by EHP Toftlund A/S at the same price and conditions as offered to the third party in question.

Furthermore SAS and SEV have concluded a shareholders' agreement, according to which SAS and SEV will be engaged, in the case of sales of a major holding of shares to a third party, to notify the other party of his co-sale right vis-à-vis the third party in question, and otherwise at the same terms and conditions offered. According to the shareholders' agreement consensus shall prevail between the directors elected by SAS and SEV on all significant decisions made by the board of the company. Finally it appears from the shareholders' agreement that SAS's or SEV's sale of major shareholdings to a third party is on condition that this third party ratifies the shareholders' agreement.

The offering period is from 14 November to 27 November 2002, both days included. Trade in pre-emptive subscription rights will be made in the period between 11 November to 22 November 2002, both days included. The new shares are expected to be listed on the Copenhagen Stock Exchange on 6 December 2002. Registration of the new shares in the investor's account with Danish Securities Centre will be made against payment in cash.

The prospectus will be publicised on Monday 4 November 2002. All shareholders listed in the register of shareholders of the company will automatically receive a prospectus. The prospectus can also be ordered from Topsil at tel. 4736 5600.

Handelsbanken Securities acts as financial counsellor for Topsil Semiconductor Materials A/S in connection with the issue.

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

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