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REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007
FOR
SILITECH TECHNOLOGY (EUROPE) LTD

WEDNESDAY



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for the Year Ended 31 December 2007

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SILITECH TECHNOLOGY (EUROPE) LTD
COMPANY INFORMATION
for the Year Ended 31 December 2007

DIRECTORS

David H H Lin
Raymond K Y Soong
Shen Yang Wu

SECRETARY:

Michael C H Huang

REGISTERED OFFICE

Unit 1
Eagle Industrial Estate
Witney
Oxfordshire
OX28 4YR

REGISTERED NUMBER

3004896 (England and Wales)

AUDITOR

Brian D Jones FCA LLB
59 Little Sutton Lane
Sutton Coldfield
West Midlands
B75 6SJ

SILITECH TECHNOLOGY (EUROPE) LTD

**REPORT OF THE DIRECTORS
for the Year Ended 31 December 2007**

The directors present their report with the financial statements of the company for the year ended 31 December 2007

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of distribution and sale throughout Europe of Silitech tooling on a commission basis

DIRECTORS

The directors who served during the year were -

Shen Yang Wu
David H H Lin
Raymond K Y Soong

The interests of the directors in the shares of the ultimate holding company, Lite-On Technology Group, are disclosed in the financial statements of that company

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

AUDITOR

The auditor, Brian D Jones FCA LLB, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

ON BEHALF OF THE BOARD



Michael C H Huang - Secretary

9 April 2008

**REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF
SILITECH TECHNOLOGY (EUROPE) LTD**

I have audited the financial statements of Silitech Technology (Europe) Ltd for the year ended 31 December 2007 on pages five to nine. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007)

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. My audit work has been undertaken so that I might state to the company's members those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's members as a body, for my audit work, for this report, or for the opinions I have formed

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

I report to you my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. I also report to you whether in my opinion the information given in the Report of the Directors is consistent with the financial statements

In addition, I report to you if, in my opinion, the company has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

I read the Report of the Directors and consider the implications for my report if I become aware of any apparent misstatements within it

Basis of audit opinion

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

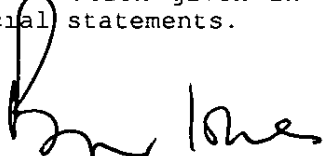
I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements

REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF
SILITECH TECHNOLOGY (EUROPE) LTD

Opinion

In my opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements.



Brian D Jones FCA LLB
59 Little Sutton Lane
Sutton Coldfield
West Midlands
B75 6SJ

9 April 2008

SILITECH TECHNOLOGY (EUROPE) LTD

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 December 2007

	Notes	31 12 07 £	31 12 06 £
TURNOVER		269,000	311,884
Cost of sales		-	14,625
GROSS PROFIT		269,000	297,259
Administrative expenses		258,661	290,322
OPERATING PROFIT	2	10,339	6,937
Interest receivable and similar income		1,258	676
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		11,597	7,613
Tax on profit on ordinary activities	3	6,023	4,040
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		5,574	3,573

The notes form part of these financial statements


SILITECH TECHNOLOGY (EUROPE) LTD

BALANCE SHEET
31 December 2007

	Notes	31 12 07 £	31 12 06 £
FIXED ASSETS			
Tangible assets	5	4,346	11,359
CURRENT ASSETS			
Debtors	6	17,505	17,489
Cash at bank		<u>73,562</u>	<u>64,039</u>
		91,067	81,528
CREDITORS			
Amounts falling due within one year	7	<u>14,705</u>	<u>17,753</u>
NET CURRENT ASSETS		<u>76,362</u>	<u>63,775</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>80,708</u>	<u>75,134</u>
CAPITAL AND RESERVES			
Called up share capital	8	1,000	1,000
Profit and loss account	9	<u>79,708</u>	<u>74,134</u>
SHAREHOLDERS' FUNDS		<u>80,708</u>	<u>75,134</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007)

The financial statements were approved by the Board of Directors on 9 April 2008 and were signed on its behalf by


Shen Yang Wu - Director

SILITECH TECHNOLOGY (EUROPE) LTD

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2007**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

Turnover

Turnover represents net invoiced sales of services, excluding value added tax

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Fixtures and fittings- at varying rates on cost

Motor vehicles - 25% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction Exchange differences are taken into account in arriving at the operating result

Pension costs and other post-retirement benefits

Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

Pensions

The company contributes to selected employee personal pension schemes The pension charge represents the amounts payable by the company to the schemes in respect of the year

2 OPERATING PROFIT

The operating profit is stated after charging

	31 12 07	31 12.06
	£	£
Depreciation - owned assets	7,013	15,873
Pension costs	586	558
Auditor's remuneration	-	3,250
	<u> </u>	<u> </u>
Directors' emoluments	-	-
	<u> </u>	<u> </u>

3 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	31 12 07	31.12.06
	£	£
Current tax		
UK corporation tax	6,023	4,040
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	6,023	4,040
	<u> </u>	<u> </u>

SILITECH TECHNOLOGY (EUROPE) LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2007

4 DIVIDENDS

	31 12 07	31 12 06
	£	£
Ordinary shares of £1 each		
Interim	-	100,000
	<u> </u>	<u> </u>

5 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 January 2007	27,079	57,705	84,784
Disposals	(14,489)	-	(14,489)
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2007	12,590	57,705	70,295
	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION			
At 1 January 2007	26,433	46,992	73,425
Charge for year	574	6,439	7,013
Eliminated on disposal	(14,489)	-	(14,489)
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2007	12,518	53,431	65,949
	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE			
At 31 December 2007	72	4,274	4,346
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2006	646	10,713	11,359
	<u> </u>	<u> </u>	<u> </u>

6 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 07	31.12 06
	£	£
Other debtors	17,505	17,489
	<u> </u>	<u> </u>

7 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 07	31 12 06
	£	£
Trade creditors	1,689	5,192
Taxation and social security	9,158	8,425
Other creditors	3,858	4,136
	<u> </u>	<u> </u>
	14,705	17,753
	<u> </u>	<u> </u>

8. CALLED UP SHARE CAPITAL

Authorised Number.	Class	Nominal value	31 12 07	31 12 06
			£	£
100,000	Ordinary	£1	100,000	100,000
			<u> </u>	<u> </u>
Allotted, issued and fully paid				
Number	Class	Nominal value.	31 12 07	31 12 06
			£	£
1,000	Ordinary	£1	1,000	1,000
			<u> </u>	<u> </u>

SILITECH TECHNOLOGY (EUROPE) LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2007

9 RESERVES

	Profit and loss account £
At 1 January 2007	74,134
Profit for the year	5,574
At 31 December 2007	<u>79,708</u>

10 RELATED PARTY DISCLOSURES

Transactions with other group companies during the year, and the amounts owing to other group companies at the year end, were as follows.-

	31 12 07 £	31 12 06 £
Sales and recharges	0	301,232
Purchases	0	(124,064)

11 ULTIMATE CONTROLLING PARTY

The company is a wholly owned subsidiary of Silitech (Bermuda) Holding Ltd (incorporated in Bermuda) which is itself a subsidiary of the Lite-On Technology Group, a company incorporated in Taiwan