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**Press Release**  
**March 21<sup>st</sup>, 2017**

## **NSP Recognized Impairment Loss and Transforms Company Actively**

Neo Solar Power Corporation ("NSP", or "the Company", publicly listed on Taiwan Stock Exchange, Ticker: 3576 TT), a world-class leading manufacturer of high quality solar cells and modules in Hsinchu, Taiwan, today announced its 2016 full year financial report. The company delivered NT\$16,537 million in Net Revenues. However, due to idle capacity of China and South East Asia capacity relocation and related expenses, recognizing impairment loss of assets and goodwill from company structure's reshaping, and the slump average selling price of solar industry, Net Loss attributable to the parent company was recorded as NT\$6,310 million with EPS of NT\$-6.53.

Suffering from slump average selling price due to overcapacity of China multicrystalline solar cell market, NSP selectively turned down no-margin sales orders. Due to idle capacity loss of China and South East Asia capacity relocation and related expenses, NSP recognized 2016 Net Revenues of NT\$16,537 million, which is decreased as compared with last year. Realized Gross Loss was NT\$1,912 million with Gross Margin of -11.56%. Although Operating Expenses was kept the same level as last year of NT\$2,065 million, Operating Expense Ratio increased to 12.49% due to decreased Net Revenues. However due to impairment loss of assets and loss of goodwill from company restructure led to Operating Loss of NT\$6,351 million. Net Loss attributable to the parent company in 2016 was NT\$6,310 million while the underlying EPS closed at NT\$ -6.53.

The company has successfully completed capital increase and ECB Offering in 2016, and will continue to enhance cash level. Cash on hand as of the end of 2016 was around NT\$8,000 million for NSP Group, and Liabilities to Asset ratio was maintained at reasonable level of 54.74%. As a whole, the Company's financial operations will be maintained conservatively.

In adapting to recent fast-path changing solar industry and continued slump of solar cell's average selling price, NSP reshaped company structure aggressively. For manufacturing business, NSP will reduce negative-margin multicrystalline manufacturing capacity and increase advanced technology & higher-margin monocrystalline PERC (Passivated Emitter Rear Contact) products. Taiwan PERC installed capacity will be increased from 600MW to 1GW next year and NSP Group, including overseas installed capacity will become 1.6GW. In addition, NSP will enter next-generation product development, such as N-Type HJT solar cell to create entry barrier and maintain technology leadership. Further, NSP will add 200MW module capacity in Taiwan for the increased domestic market demand.

Other than transforming of manufacturing business, NSP also expands downstream solar system project business actively. For the past five years, NSP has built up the core competences of development, construction, sales, and financing for global solar system projects. The accumulated on-grid solar system projects were 200MW, and the undergoing pipelines for solar system projects have reached to 1GW. Last year, NSP has joined hands with Cathay Life Insurance Co. Ltd to co-invest a new Taiwan YieldCo. The initial capital injection was NT\$1.5 billion. Besides, NSP has invested US\$50 Million to form an overseas IPP (Independent Power Producer) company named "CFY", and planned for public listing on Hong Kong Stock Exchange to support NSP's global solar system project business. Therefore, NSP will not only enjoy profit from development, construction, and sale for global solar system projects, but also can enjoy potential capital gains from IPP Company. The overall benefit of NSP's business structure reshaping is expected to gradually contribute starting from fourth quarter this year.



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### **About Neo Solar Power Corporation (3576 TT) (NSP)**

Founded in 2005 by Dr. Quincy Lin (former Senior VP of TSMC) and Dr. Sam Hong (former Director of ITRI Research Division), Neo Solar Power Corporation (NSP) is a leading manufacturer of high performance and high quality solar cells and modules. With core competitive advantages in quality, technology and customer service, NSP became the world's largest merchant solar cell manufacturer by volume in 2013. After selling DelSolar to NSP, Delta Electronics (2308, TT) became the biggest shareholder of NSP with a 19% holding. Leveraging current leading position in solar cell technology, NSP will further expand into the global solar systems businesses, aiming to become the leading solar system integrator in the world. For more information, please visit the company's website at [www.nsp.com](http://www.nsp.com)

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