Neo Solar Power Corp. and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2016 and 2015 and Independent Accountants' Review Report

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Directors and Shareholders
Neo Solar Power Corp.

We have reviewed the accompanying consolidated balance sheets of Neo Solar Power Corp. (NSP) and its subsidiaries (collectively referred to as the "Corporation") as of June 30, 2016 and 2015, and the related consolidated statements of comprehensive income for the three months ended June 30, 2016 and 2015, six months ended June 30, 2016 and 2015, and consolidated statements of changes in equity and cash flows for the six months ended June 30, 2016 and 2015. These consolidated financial statements are the responsibility of NSP's management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews.

Except as explained in the following paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 36 "Review of Financial Statements" issued by the Auditing Standards Committee of the Accounting Research and Development Foundation of the Republic of China. A review consists principally of applying analytical procedures to financial data and of making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of China, the objective of which is the expression of an opinion regarding the consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.

As disclosed in Note 15 to the consolidated financial statements, the financial statements of nonsignificant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of June 30, 2016 and 2015, combined total assets of these nonsignificant subsidiaries were $9,075,143 thousand and $5,121,241 thousand, respectively, representing 22.63% and 14.22%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were $5,911,512 thousand and $2,392,996 thousand, respectively, representing 33.17% and 15.27%, respectively, of the consolidated total liabilities; for the three months ended June 30, 2016 and 2015, six months ended June 30, 2016 and 2015, combined comprehensive loss of these subsidiaries was $(181,912) thousand, $(92,685) thousand, $(245,407) thousand and $(200,526) thousand, respectively, representing 18.22%, 10.58%, 24.00% and 14.05%, respectively, of the consolidated total comprehensive (loss) income. As disclosed in Note 16 to the consolidated financial statements, investment accounted for using the equity method of $135,385 thousand and $64,563 thousand as of June 30, 2016 and 2015, and the share of gain (loss) and share of total comprehensive income (loss) of associates and joint ventures of $26,642 thousand, $(2,282) thousand, $5,870 thousand and $(2,807) thousand for the three months ended June 30, 2016 and 2015, six months ended June 30, 2016 and 2015, respectively, were calculated based on the financial statements that have not been reviewed. Also, the information disclosed in Note 41 to the consolidated financial statements was based on unreviewed financial statements of these nonsignificant subsidiaries and investees for the same reporting periods.

Based on our reviews, except for the effects of adjustments, if any, as might have been determined to be necessary had the financial statements of these nonsignificant subsidiaries and investment accounted for using the equity method as described in the preceding paragraph been reviewed, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 "Interim Financial Reporting" endorsed by the Financial Supervisory Commission of the Republic of China.

August 4, 2016

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent accountants' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent accountants' review report and consolidated financial statements shall prevail.

NEO SOLAR POWER CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	June 30, 2016 (Reviewed)		December 31, 2015 (Audited)		June 30, 2015 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Notes 6, 32 and 36)	$ 10,503,720	26	$ 8,498,752	22	$ 8,989,780	25
Financial assets at fair value through profit or loss - current (Notes 7 and 36)	6,814	-	29	-	4,673	-
Notes and accounts receivable, net (Notes 11 and 36)	3,130,973	8	4,605,189	12	4,710,118	13
Installment accounts receivable (Notes 11 and 36)	42,457	-	18,717	-	-	-
Accounts receivable - related parties (Notes 11, 36 and 37)	275,898	1	340,460	1	7,720	-
Financial lease receivables (Notes 12, 17, 36 and 38)	85,743	-	90,727	-	76,446	-
Other receivables (Notes 11 and 36)	92,434	-	67,345	-	118,892	-
Other receivables - related parties (Notes 11, 36 and 37)	636,588	2	476,099	1	498,396	2
Current tax assets (Note 4)	10,522	-	9,532	-	16,141	-
Inventories (Notes 13 and 38)	5,898,076	15	4,253,107	11	2,583,105	7
Prepayments (Notes 19, 20 and 39)	497,094	1	635,751	1	641,660	2
Noncurrent assets held for sale (Notes 14 and 17)	38,725	-	2,876	-	329,158	1
Other current assets (Notes 20, 36 and 38)	430,496	1	303,406	1	345,821	1
Total current assets	21,649,540	54	19,301,990	49	18,321,910	51
NONCURRENT ASSETS						
Available-for-sale financial assets - noncurrent (Notes 8 and 36)	101,197	-	109,873	-	126,625	1
Financial assets carried at cost - noncurrent (Notes 9 and 36)	54,595	-	54,611	-	66,967	-
Debt investment with no active market - noncurrent (Notes 10, 36 and 37)	306,717	1	310,103	1	-	-
Investment accounted for using the equity method (Notes 15 and 16)	135,385	-	65,824	-	64,563	-
Property, plant and equipment (Notes 14, 17, 37 and 38)	11,893,825	30	12,924,354	33	13,245,977	37
Intangible assets (Note 18)	617,983	2	620,471	2	532,313	2
Deferred tax assets (Note 4)	18,249	-	18,377	-	28,401	-
Long-term installment accounts receivable (Notes 11 and 36)	1,157,091	3	338,686	1	-	-
Financial lease receivables - noncurrent (Notes 12, 17, 36 and 38)	1,679,916	4	1,915,008	5	1,519,350	4
Prepayments - noncurrent (Notes 20 and 39)	1,727,648	4	1,516,406	4	1,202,192	3
Refundable deposits (Notes 36, 37 and 38)	310,591	1	342,150	1	109,544	-
Prepayments for lease (Note 19)	22,600	-	23,587	-	21,657	-
Other noncurrent assets (Notes 20 and 38)	420,471	1	1,560,059	4	766,710	2
Total noncurrent assets	18,446,268	46	19,799,509	51	17,684,299	49
TOTAL	$ 40,095,808	100	$ 39,101,499	100	$ 36,006,209	100

	June 30, 2016 (Reviewed)		December 31, 2015 (Audited)		June 30, 2015 (Reviewed)	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES						
Short-term bank loans (Notes 21, 36 and 38)	$ 6,088,887	15	$ 6,448,680	16	$ 3,663,039	10
Short-term bills payable (Notes 21 and 36)	149,784	-	49,912	-	-	-
Financial liabilities at fair value through profit or loss - current (Notes 7 and 36)	20,361	-	6,102	-	58	-
Notes and accounts payable (Note 36)	1,554,360	4	2,005,779	5	1,783,860	5
Accounts payable - related parties (Notes 36 and 37)	659	-	557	-	81,318	-
Bonuses payable to employees and directors (Note 28)	2,798	-	2,649	-	39,716	-
Payables to contractors and equipment suppliers (Notes 36 and 37)	450,859	1	680,695	2	557,324	2
Accrued expense (Notes 23, 25, 36 and 37)	1,403,845	4	1,441,569	4	1,372,826	4
Current tax liabilities (Note 4)	424	-	640	-	3,866	-
Provisions - current (Note 24)	8,588	-	-	-	-	-
Receipts in advance (Note 37)	61,024	-	134,319	-	276,012	1
Current portion of long-term bank loans and bonds payable (Notes 21, 22, 36 and 38)	657,119	2	1,796,303	5	1,498,872	4
Other current liabilities (Note 23)	33,940	-	56,622	-	45,285	-
Total current liabilities	10,432,648	26	12,623,827	32	9,322,176	26
NONCURRENT LIABILITIES						
Bonds payable (Notes 22, 36 and 38)	3,501,681	9	3,461,799	9	3,637,314	10
Long-term bank loans (Notes 21, 36 and 38)	2,931,918	7	1,588,351	4	1,667,897	5
Provisions - noncurrent (Note 24)	195,261	-	291,688	1	247,112	1
Deferred tax liabilities (Note 4)	52,069	-	64,103	-	78,841	-
Preference share liabilities - noncurrent (Notes 21, 36 and 38)	470,000	1	470,000	1	470,000	1
Guarantee deposits	909	-	339	-	333	-
Other noncurrent liabilities (Note 23)	235,021	1	245,542	1	247,653	1
Total noncurrent liabilities	7,386,859	18	6,121,822	16	6,349,150	18
Total liabilities	17,819,507	44	18,745,649	48	15,671,326	44
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (Notes 26, 31 and 33)						
Common shares	10,177,797	25	8,581,617	22	8,559,865	24
Capital surplus	12,347,173	31	12,211,474	31	12,192,812	34
Retained earnings						
Legal reserve	-	-	69,422	-	69,422	-
Accumulated deficit	(826,368)	(2)	(1,238,096)	(3)	(1,016,402)	(3)
Other equity	(23,808)	-	131,877	-	(71,901)	-
Total equity attributable to shareholders of the parent	21,674,794	54	19,756,294	50	19,733,796	55
NONCONTROLLING INTERESTS (Notes 15 and 33)	601,507	2	599,556	2	601,087	1
Total equity	22,276,301	56	20,355,850	52	20,334,883	56
TOTAL	$ 40,095,808	100	$ 39,101,499	100	$ 36,006,209	100

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated August 4, 2016)

NEO SOLAR POWER CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Loss Per Share)
(Reviewed, Not Audited)

	Three Months Ended June 30				Six Months Ended June 30			
	2016		2015		2016		2015	
	Amount	%	Amount	%	Amount	%	Amount	%
NET SALES (Notes 27, 32, 37 and 39)	$ 4,503,893	100	$ 4,987,462	100	$ 10,407,801	100	$ 9,617,797	100
COST OF SALES (Notes 13, 28, 37 and 39)	4,885,914	109	5,180,992	104	10,052,514	97	9,921,259	103
GROSS (LOSS) PROFIT	(382,021)	(9)	(193,530)	(4)	355,287	3	(303,462)	(3)
(UNREALIZED) REALIZED GAIN FROM SALES	(18,689)	-	27,849	1	(4,548)	-	38,450	-
REALIZED GROSS (LOSS) PROFIT FROM SALES	(400,710)	(9)	(165,681)	(3)	350,739	3	(265,012)	(3)
OPERATING EXPENSES (Notes 28 and 37)								
Selling	121,623	3	336,673	7	413,856	4	444,255	4
General and administrative	249,717	5	135,140	3	457,736	4	265,362	3
Research and development	97,116	2	97,333	2	191,324	2	182,918	2
Total operating expenses	468,456	10	569,146	12	1,062,916	10	892,535	9
OTHER INCOME AND EXPENSES (Notes 14, 17, 28 and 37)	(121,770)	(3)	(16,224)	-	(121,770)	(1)	(16,224)	-
LOSS FROM OPERATIONS	(990,936)	(22)	(751,051)	(15)	(833,947)	(8)	(1,173,771)	(12)
NONOPERATING INCOME AND EXPENSES								
Foreign exchange gain (loss), net (Note 28)	97,508	2	17,401	-	143,751	1	(41,890)	-
Share of gain (loss) of associates and joint ventures	26,642	1	(2,282)	-	5,870	-	(2,807)	-
Interest income (Notes 10 and 28)	14,428	-	9,898	-	25,945	-	13,470	-
Gain on disposal of power facility business (Note 12)	14,141	-	-	-	22,476	-	-	-
Others (Notes 28 and 37)	3,617	-	4,287	-	5,818	-	8,672	-
Gain from bargain purchase (Note 32)	-	-	1,082	-	-	-	1,082	-
Loss on disposal of investments	-	-	-	-	-	-	(955)	-
Other gains and losses	(238)	-	1,172	-	(359)	-	426	-
(Loss) gain on financial instruments at fair value through profit or loss (Note 7)	(16,452)	-	(4,605)	-	(37,545)	-	36,882	-
Finance costs (Note 28)	(73,898)	(2)	(60,916)	(1)	(152,900)	(1)	(123,127)	(1)
Total nonoperating income and expenses	65,748	1	(33,963)	(1)	13,056	-	(108,247)	(1)
LOSS BEFORE INCOME TAX	(925,188)	(21)	(785,014)	(16)	(820,891)	(8)	(1,282,018)	(13)
INCOME TAX (EXPENSE) BENEFIT (Notes 4 and 29)	(17,001)	-	1,156	-	(12,784)	-	5,935	-
NET LOSS FOR THE PERIOD	(942,189)	(21)	(783,858)	(16)	(833,675)	(8)	(1,276,083)	(13)

(Continued)

NEO SOLAR POWER CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Loss Per Share)
(Reviewed, Not Audited)

	Three Months Ended June 30				Six Months Ended June 30			
	2016		2015		2016		2015	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE LOSS (Note 28)								
Items that may be reclassified subsequently to profit or loss:								
Unrealized loss on available-for-sale financial assets	$ (4,119)	-	$ (20,853)	-	$ (8,676)	-	$ (30,477)	(1)
Exchange differences on translating foreign operations	(51,971)	(1)	(71,007)	(2)	(180,152)	(2)	(120,489)	(1)
Total other comprehensive loss	(56,090)	(1)	(91,860)	(2)	(188,828)	(2)	(150,966)	(2)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	$ (998,279)	(22)	$ (875,718)	(18)	$ (1,022,503)	(10)	$ (1,427,049)	(15)
NET LOSS ATTRIBUTABLE TO								
Shareholders of the parent	$ (935,206)	(21)	$ (767,042)	(16)	$ (826,368)	(8)	$ (1,233,947)	(13)
Noncontrolling interests	(6,983)	-	(16,816)	-	(7,307)	-	(42,136)	-
	$ (942,189)	(21)	$ (783,858)	(16)	$ (833,675)	(8)	$ (1,276,083)	(13)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO								
Shareholders of the parent	$ (994,004)	(22)	$ (853,641)	(17)	$ (1,005,002)	(10)	$ (1,376,371)	(14)
Noncontrolling interests	(4,275)	-	(22,077)	(1)	(17,501)	-	(50,678)	(1)
	$ (998,279)	(22)	$ (875,718)	(18)	$ (1,022,503)	(10)	$ (1,427,049)	(15)
LOSS PER SHARE (Note 30)								
Basic loss per share	$ (0.96)		$ (0.90)		$ (0.90)		$ (1.45)	
Diluted loss per share	$ (0.96)		$ (0.90)		$ (0.90)		$ (1.45)	

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated August 4, 2016) (Concluded)

NEO SOLAR POWER CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Shareholders of the Parent															
	Common Shares		Capital Surplus						Retained Earnings			Other Equity				
	Shares (Thousand)	Common Shares	Share Premium	Conversion of Bonds	Conversion Option of Bonds	Difference between Consideration and Carrying Amounts Adjusted for Changes in Percentage of Ownership in Subsidiaries	Employee Share Options	Restricted Shares for Employees	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficits)	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Available-for-Sale Financial Assets	Unearned Employee Benefits	Total	Noncontrolling Interests	Total Equity
BALANCE AT JANUARY 1, 2015	856,277	$ 8,562,770	$ 11,404,787	$ 507,846	$ 156,427	$ 13,416	$ 3,022	$ 111,993	$ 47,566	$ 18,928	$ 391,744	$ 196,025	$ (101,421)	$ (56,670)	$ 21,256,433	$ 467,338	$ 21,723,771
Appropriation of 2014 earnings																	
Legal reserve	-	-	-	-	-	-	-	-	21,856	-	(21,856)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	-	-	-	-	-	(18,928)	18,928	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	-	-	-	-	-	(171,271)	-	-	-	(171,271)	-	(171,271)
Cash dividends distributed by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(9,243)	(9,243)
Cancellation of restricted shares for employees	(291)	(2,905)	-	-	-	-	-	(4,994)	-	-	-	-	-	7,899	-	-	-
Compensation cost of restricted shares for employees	-	-	-	-	-	-	-	-	-	-	-	-	-	24,690	24,690	-	24,690
Additional acquisition of partially owned subsidiaries at a percentage different from its earlier ownership percentage	-	-	-	-	-	315	-	-	-	-	-	-	-	-	315	193,670	193,985
Net loss for the six months ended June 30, 2015	-	-	-	-	-	-	-	-	-	-	(1,233,947)	-	-	-	(1,233,947)	(42,136)	(1,276,083)
Other comprehensive loss for the six months ended June 30, 2015, net of income tax	-	-	-	-	-	-	-	-	-	-	-	(111,947)	(30,477)	-	(142,424)	(8,542)	(150,966)
Total comprehensive loss for the six months ended June 30, 2015	-	-	-	-	-	-	-	-	-	-	(1,233,947)	(111,947)	(30,477)	-	(1,376,371)	(50,678)	(1,427,049)
BALANCE AT JUNE 30, 2015	855,986	$ 8,559,865	$ 11,404,787	$ 507,846	$ 156,427	$ 13,731	$ 3,022	$ 106,999	$ 69,422	$ -	$ (1,016,402)	$ 84,078	$ (131,898)	$ (24,081)	$ 19,733,796	$ 601,087	$ 20,334,883
BALANCE AT JANUARY 1, 2016	858,161	$ 8,581,617	$ 11,404,787	$ 507,846	$ 156,427	$ 13,731	$ 3,022	$ 125,661	$ 69,422	$ -	$ (1,238,096)	$ 239,609	$ (71,074)	$ (36,658)	$ 19,756,294	$ 599,556	$ 20,355,850
Offset of deficit against legal reserve	-	-	-	-	-	-	-	-	(69,422)	-	69,422	-	-	-	-	-	-
Offset of deficit against capital surplus	-	-	(1,168,674)	-	-	-	-	-	-	-	1,168,674	-	-	-	-	-	-
Issuance of common shares for cash	160,000	1,600,000	1,270,218	-	-	-	-	-	-	-	-	-	-	-	2,870,218	-	2,870,218
Cancellation of restricted shares for employees	(382)	(3,820)	-	-	-	-	-	(4,947)	-	-	-	-	-	8,767	-	-	-
Compensation cost of restricted shares for employees	-	-	-	-	-	-	-	-	-	-	-	-	-	14,182	14,182	-	14,182
Compensation cost of employee share options	-	-	39,048	-	-	-	-	-	-	-	-	-	-	-	39,048	329	39,377
Additional acquisition of partially owned subsidiaries at a percentage different from its earlier ownership percentage	-	-	-	-	-	54	-	-	-	-	-	-	-	-	54	17,485	17,539
Noncontrolling Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,638	1,638
Net loss for the six months ended June 30, 2016	-	-	-	-	-	-	-	-	-	-	(826,368)	-	-	-	(826,368)	(7,307)	(833,675)
Other comprehensive loss for the six months ended June 30, 2016, net of income tax	-	-	-	-	-	-	-	-	-	-	-	(169,958)	(8,676)	-	(178,634)	(10,194)	(188,828)
Total comprehensive loss for the six months ended June 30, 2016	-	-	-	-	-	-	-	-	-	-	(826,368)	(169,958)	(8,676)	-	(1,005,002)	(17,501)	(1,022,503)
BALANCE AT JUNE 30, 2016	1,017,779	$ 10,177,797	$ 11,545,379	$ 507,846	$ 156,427	$ 13,785	$ 3,022	$ 120,714	$ -	$ -	$ (826,368)	$ 69,651	$ (79,750)	$ (13,709)	$ 21,674,794	$ 601,507	$ 22,276,301

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated August 4, 2016)

NEO SOLAR POWER CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Six Months Ended June 30	
	2016	**2015**
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	$ (820,891)	$ (1,282,018)
Adjustments for:		
Depreciation	1,010,103	1,037,405
Amortization	1,961	1,958
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	7,474	(19,913)
Loss on disposal of investment	-	955
Gain on disposal of power facility business	(22,476)	-
Reversal of provisions	(121,546)	-
Provision for doubtful accounts	110,890	174,543
Allowance for loss on inventories	312,816	22,161
Share of (gain) loss of associates and joint ventures	(5,870)	2,807
Unrealized (realized) gain from sales	4,548	(38,450)
Reclassified from property, plant and equipment to expenses	3,123	29
Loss on disposal of property, plant and equipment	16,780	-
Impairment loss on property, plant and equipment	96,972	6,128
Loss on disposal of noncurrent assets held for sale	8,018	2,387
Impairment loss on noncurrent assets held for sale	-	7,709
Compensation cost of restricted shares for employees	14,182	24,690
Compensation cost of employee share options	39,377	-
Interest income	(77,318)	(44,287)
Finance costs	152,900	123,127
Gain from bargain purchase	-	(1,082)
Net gain on foreign exchange	(83,979)	(15,687)
Changes in operating assets and liabilities:		
Notes and accounts receivable	1,315,195	(7,775)
Accounts receivable - related parties	57,138	176,169
Other receivables	(24,432)	(31,874)
Other receivables - related parties	(153,230)	142,373
Inventories	(1,998,783)	(544,412)
Prepayments (including noncurrent)	(216,360)	48,841
Other current assets	65,325	1,027,568
Notes and accounts payable	(422,035)	269,044
Accounts payable - related parties	104	(3,597)
Bonuses payable to employees and directors	149	-
Accrued expense	(180,283)	(237,319)
Deferred revenue	(13,597)	(11,017)
Receipts in advance	(73,295)	20,334
Other current liabilities	(18,499)	12,687
Provisions	34,726	21,904
Income taxes paid	(25,896)	(1,642)
Net cash (used in) generated from operating activities	(1,006,709)	883,746

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NEO SOLAR POWER CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Six Months Ended June 30	
	2016	**2015**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of available-for-sale financial assets	$ -	$ 2,956
Proceeds from sale of power facility business	494,000	-
Acquisition of investment accounted for using the equity method	(56,651)	-
Acquisition of property, plant and equipment	(1,378,652)	(1,048,458)
Decrease in prepayments for investments	68,208	-
Net cash outflow on acquisition of subsidiaries	-	(9,314)
Decrease in restricted assets	887,180	76,102
Decrease in pledged bank acceptances	50,744	-
Increase in pledged time deposits	(23,700)	(8,083)
Decrease in finance lease receivables	49,578	52,217
Interest received	71,999	43,915
Increase in refundable deposits	(35,337)	(39,943)
Decrease in refundable deposits	59,568	175,006
Increase in other noncurrent assets	(687)	(14,555)
Decrease in other noncurrent assets	24,963	13,039
Net cash generated from (used in) investing activities	211,213	(757,118)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term bank loans	11,184,217	6,683,828
Decrease in short-term bank loans	(11,455,039)	(5,989,363)
Increase in short-term bill payable	99,812	-
Proceeds from long-term bank loans	1,942,958	100,000
Repayments of long-term bank loans	(1,724,882)	(716,301)
Increase in guarantee deposits	2,644	-
Decrease in guarantee deposits	(2,061)	(1,026)
Proceeds from issuance of common shares	2,870,218	-
Interest paid	(100,063)	(83,139)
Increase in noncontrolling interests	17,539	193,985
Net cash generated from financing activities	2,835,343	187,984
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(34,879)	(46,609)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,004,968	268,003
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	8,498,752	8,721,777
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	$ 10,503,720	$ 8,989,780

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated August 4, 2016) (Concluded)

NEO SOLAR POWER CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)
(Reviewed, Not Audited)

1. ORGANIZATION AND OPERATION

Neo Solar Power Corp. (NSP) was incorporated in the Republic of China (ROC) on August 26, 2005. NSP specializes in manufacturing high-quality solar cells, solar cell modules and wafers. NSP's main business activities include researching, developing, designing, manufacturing and selling solar cells and doing other solar-related businesses. Its common shares have been listed on the Taiwan Stock Exchange (TSE) since January 2009. For the main business activities of NSP and its subsidiaries (collectively referred to as "the Corporation"), refer to Notes 15 and 41.

The consolidated financial statements are presented in NSP's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to the board of directors of NSP and issued on August 4, 2016.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the Financial Supervisory Commission (FSC) of the Republic of China for application starting from 2017.

Rule No. 1050026834 issued by the FSC endorsed the following IFRS, IAS, IFRIC and SIC (collectively, the "IFRSs") for application starting January 1, 2017.

New, Amended or Revised standards and Interpretations (the "New IFRSs")	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 3)
Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception"	January 1, 2016
Amendment to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"	January 1, 2016
Amendment to IAS 1 "Disclosure Initiative"	January 1, 2016
Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"	January 1, 2016
Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants"	January 1, 2016
Amendment to IAS 19 "Defined Benefit Plans: Employee Contributions"	July 1, 2014
Amendment to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets"	January 1, 2014
Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014
IFRIC 21 "Levies"	January 1, 2014

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

Note 2: The amendment to IFRS 2 applies to share-based payment transactions with grant date on or after July 1, 2014; the amendment to IFRS 3 applies to business combinations with acquisition date on or after July 1, 2014; the amendment to IFRS 13 is effective immediately; the remaining amendments are effective for annual periods beginning on or after July 1, 2014.

Note 3: The amendment to IFRS 5 is applied prospectively to changes in a method of disposal that occur in annual periods beginning on or after January 1, 2016; the remaining amendments are applied retrospectively for annual periods beginning on or after January 1, 2016.

Except for the following, the initial application of the above New IFRSs in 2017 would not have any material impact on the Corporation's accounting policies:

1) Amendment to IAS 36 "Recoverable Amount Disclosures for Non-financial Assets"

   The amendment clarifies that the recoverable amount of an asset or a cash-generating unit is disclosed only when an impairment loss on the asset has been recognized or reversed during the period. Furthermore, if the recoverable amount of an item of property, plant and equipment for which impairment loss has been recognized or reversed is fair value less costs of disposal, the Corporation is required to disclose the fair value hierarchy. If the fair value measurements are categorized within Level 2 or Level 3, the valuation technique and key assumptions used to measure the fair value are disclosed. The discount rate used is disclosed if such fair value less costs of disposal is measured by using present value technique. The amendment will be applied retrospectively.

2) Annual Improvements to IFRSs: 2010-2012 Cycle

   Several standards, including IFRS 2 "Share-based Payment", IFRS 3 "Business Combinations" and IFRS 8 "Operating Segments", were amended in this annual improvement.

   The amended IFRS 2 changes the definitions of "vesting condition" and "market condition" and adds definitions of "performance condition" and "service condition". The amendment clarifies that a performance target can be based on the operations of the Corporation or another entity in the same group (i.e. a non-market condition) or the market price of the equity instruments of the Corporation or another entity in the same group (i.e. a market condition); that a performance target might relate either to the performance of all or a part of the Corporation (e.g. a division); and that the period for achieving a performance target must not go beyond the end of the service period. In addition, a share market index target is not a performance condition because it not only reflects the performance of the Corporation but also those of entities other than the Corporation. The share-based payment arrangements with market conditions, non-market conditions or non-vesting conditions will be accounted for differently, and the aforementioned amendment will be applied prospectively to those share-based payments granted on or after January 1, 2017.

   IFRS 3 was amended to clarify that contingent consideration should be measured at fair value, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39. Changes in fair value should be recognized in profit or loss. The amendment will be applied prospectively to business combination with acquisition date on or after January 1, 2017.

The amended IFRS 8 requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have "similar economic characteristics". The amendment also clarifies that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segments' assets are regularly provided to the chief operating decision-maker. The judgements made in applying aggregation criteria should be disclosed retrospectively upon initial application of the amendment in 2017.

When the amended IFRS 13 becomes effective in 2017, the short-term receivables and payables with no stated interest rate will be measured at their invoice amounts without discounting, if the effect of not discounting is immaterial.

IAS 24 was amended to clarify that a management entity providing key management personnel services to the Corporation is a related party of the Corporation. Consequently, the Corporation is required to disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

3) Annual Improvements to IFRSs: 2011-2013 Cycle

Several standards, including IFRS 3, IFRS 13 and IAS 40 "Investment Property", were amended in this annual improvement.

The scope in IFRS 13 of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis was amended to clarify that it includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32. The Corporation entered into purchase contracts that could be settled net in cash. When the amended IFRS 13 becomes effective in 2017, the Corporation will elect to measure the fair value of those contracts on a net basis retrospectively.

4) Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"

The entity should use appropriate depreciation and amortization method to reflect the pattern in which the future economic benefits of the property, plant and equipment and intangible asset are expected to be consumed by the entity.

The amended IAS 16 "Property, Plant and Equipment" stipulates that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate. The amended standard does not provide any exception from this requirement.

The amended IAS 38 "Intangible Assets" clarifies there is a rebuttable presumption that an amortization method that is based on revenue that is generated by an activity that includes the use of an intangible asset is not appropriate. This presumption can be overcome only in the following limited circumstances:

a) In which the intangible asset is expressed as a measure of revenue (for example, the contract that specifies the entity's use of the intangible asset will expire upon achievement of a revenue threshold); or

b) When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

5) Annual Improvements to IFRSs: 2012-2014 Cycle

Several standards including IFRS 5 "Noncurrent assets held for sale and discontinued operations", IFRS 7, IAS 19 and IAS 34 were amended in this annual improvement.

IFRS 5 was amended to clarify that reclassification between noncurrent assets (or disposal group) "held for sale" and noncurrent assets "held for distribution to owners" does not constitute a change to a plan of sale or distribution. Therefore, previous accounting treatment is not reversed. The amendment also explains that assets that no longer meet the criteria for "held for distribution to owners" and do not meet the criteria for "held for sale" should be treated in the same way as assets that cease to be classified as held for sale. The amendment will be applied prospectively to transactions that occur on or after January 1, 2017.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Corporation is continuously assessing the possible impact that the application of other standards and interpretations will have on the Corporation's financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

b. New IFRSs in issue but not yet endorsed by the FSC

The Corporation has not applied the following IFRSs issued by the IASB but not yet endorsed by the FSC.

The FSC announced that the Corporation should apply IFRS 15 starting January 1, 2018. As of the date the consolidated financial statements were authorized for issue, the FSC has not announced the effective dates of other new IFRSs.

New IFRSs	Effective Date Announced by IASB (Note)
Amendment to IFRS 2 "Classification and Measurement of Share-based Payment Transactions"	January 1, 2018
IFRS 9 "Financial Instruments"	January 1, 2018
Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date of IFRS 9 and Transition Disclosures"	January 1, 2018
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2018
Amendment to IFRS 15 "Clarification of IFRS 15"	January 1, 2018
IFRS 16 "Leases"	January 1, 2019
Amendment to IAS 7 "Disclosure Initiative"	January 1, 2017
Amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealized Losses"	January 1, 2017

Note : Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

1) IFRS 9 "Financial Instruments"

Recognition and measurement of financial assets

With regards to financial assets, all recognized financial assets that are within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at amortized cost or fair value. Under IFRS 9, the requirement for the classification of financial assets is stated below.

For the Corporation debt instruments that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, their classification and measurement are as follows:

a) For debt instruments, if they are held within a business model whose objective is to collect the contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continuously with impairment loss, if any, recognized in profit or loss. Interest revenue is recognized in profit or loss by using the effective interest method;

b) For debt instruments, if they are held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of financial assets, the financial assets are measured at fair value through other comprehensive income (FVTOCI) and are assessed for impairment. Interest revenue is recognized in profit or loss by using the effective interest method, and other gain or loss is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses. When the debt instruments are derecognized or reclassified, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

Except for the above, all other financial assets are measured at fair value through profit or loss. However, the Corporation may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss. No subsequent impairment assessment is required, and the cumulative gain or loss previously recognized in other comprehensive income cannot be reclassified from equity to profit or loss.

Impairment of financial assets

IFRS 9 requires impairment loss on financial assets to be recognized by using the "Expected Credit Losses Model". The credit loss allowance is required for financial assets measured at amortized cost, financial assets mandatorily measured at FVTOCI, lease receivables, contract assets arising from IFRS 15 "Revenue from Contracts with Customers", certain written loan commitments and financial guarantee contracts. A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since initial recognition and is not low. However, a loss allowance for full lifetime expected credit losses is required for trade receivables that do not constitute a financing transaction.

For purchased or originated credit-impaired financial assets, the Corporation takes into account the expected credit losses on initial recognition in calculating the credit-adjusted effective interest rate. Subsequently, any changes in expected losses are recognized as a loss allowance with a corresponding gain or loss recognized in profit or loss.

2) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendments stipulated that, when an entity sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when an entity loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when an entity sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the unrelated investors' interest in the associate or joint venture, i.e. the entity's share of the gain or loss is eliminated. Also, when an entity loses control of a subsidiary that does not contain a business but retains significant influence or joint control in an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the unrelated investors' interest in the associate or joint venture, i.e. the entity's share of the gain or loss is eliminated.

3) IFRS 15 "Revenue from Contracts with Customers" and related amendment

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers, and will supersede IAS 18 "Revenue", IAS 11 "Construction Contracts" and a number of revenue-related interpretations from January 1, 2018.

When applying IFRS 15, an entity shall recognize revenue by applying the following steps:

a) Identify the contract with the customer;

b) Identify the performance obligations in the contract;

c) Determine the transaction price;

d) Allocate the transaction price to the performance obligations in the contract; and

e) Recognize revenue when the entity satisfies a performance obligation.

When IFRS 15 is effective, an entity may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying this Standard recognized at the date of initial application.

4) IFRS 16 "Leases"

IFRS 16 sets out the accounting standards for leases that will supersede IAS 17 and a number of related interpretations.

Under IFRS 16, if the Corporation is a lessee, it shall recognize right-of-use assets and lease liabilities for all leases on the consolidated balance sheets except for low-value and short-term leases. The Corporation may elect to apply the accounting method similar to the accounting for operating lease under IAS 17 to the low-value and short-term leases. On the consolidated statements of comprehensive income, the Corporation should present the depreciation expense charged on the right-of-use asset separately from interest expense accrued on the lease liability; interest is computed by using effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of the lease liability are classified within financing activities; cash payments for interest portion are classified within financing activities.

The application of IFRS 16 is not expected to have a material impact on the accounting of the Corporation as lessor.

When IFRS 16 becomes effective, the Corporation may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of the initial application of this Standard recognized at the date of initial application.

5) Amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealized Losses"

The amendment clarifies that the difference between the carrying amount of the debt instrument measured at fair value and its tax base gives rise to a temporary difference, even though there are unrealized losses on that asset, irrespective of whether the Corporation expects to recover the carrying amount of the debt instrument by sale or by holding it and collecting contractual cash flows.

In addition, in determining whether to recognize a deferred tax asset, the Corporation should assess a deductible temporary difference in combination with all of its other deductible temporary differences, unless the tax law restricts the utilization of losses as deduction against income of a specific type, in which case, a deductible temporary difference is assessed in combination only with other deductible temporary differences of the appropriate type. The amendment also stipulates that, when determining whether to recognize a deferred tax asset, the estimate of probable future taxable profit may include some of the Corporation's assets for more than their carrying amount if there is sufficient evidence that it is probable that the Corporation will achieve the higher amount, and that the estimate for future taxable profit should exclude tax deductions resulting from the reversal of deductible temporary differences.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Corporation is continuously assessing the possible impact that the application of other standards and interpretations will have on the Corporation's financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed by the FSC. Disclosure information included in the consolidated financial statements is less than those required in a complete set of annual financial statements.

b. Basis of consolidation

See Note 15 and Table 6 for the detailed information of subsidiaries (including the percentage of ownership and main business).

c. Other significant accounting policies

Except for the following, the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2015. For the summary of other significant accounting policies, please refer to the consolidated financial statements for the year ended December 31, 2015.

<u>Taxation</u>

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2015.

6. CASH AND CASH EQUIVALENTS

	June 30, 2016	December 31, 2015	June 30, 2015
Demand deposits	$ 7,403,091	$ 7,085,212	$ 6,766,586
Checking accounts	67,915	61,723	70,731
Cash on hand	1,078	4,254	997
Cash equivalents			
Bank acceptances	12,142	284,763	709,695
Time deposits	3,019,494	1,062,800	1,441,771
	$ 10,503,720	$ 8,498,752	$ 8,989,780

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2016	December 31, 2015	June 30, 2015
Financial assets at fair value through profit or loss (FVTPL)			
Financial assets held for trading			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	$ 6,814	$ 29	$ 4,673
Financial liabilities at FVTPL			
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	$ 20,361	$ 5,968	$ -
Interest swap contracts	-	134	58
	$ 20,361	$ 6,102	$ 58

At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Contract Amount (In Thousands)
June 30, 2016			
Sell	Sell EUR/Buy US$	July 11, 2016	EUR 2,000/US$ 2,273
Sell	Sell EUR/Buy US$	July 18, 2016	EUR 1,000/US$ 1,123
Buy	Sell RMB/Buy US$	July 5, 2016	RMB 13,017/US$ 2,000
Buy	Sell RMB/Buy US$	July 15, 2016	RMB 6,605/US$ 1,000
Buy	Sell RMB/Buy US$	August 5, 2016	RMB 9,818/US$ 1,500
Buy	Sell RMB/Buy US$	August 5, 2016	RMB 9,821/US$ 1,500
Buy	Sell RMB/Buy US$	August 23, 2016	RMB 19,791/US$ 3,000
Buy	Sell RMB/Buy US$	August 30, 2016	RMB 6,619/US$ 1,000
Buy	Sell JPY/Buy US$	July 20, 2016	JPY 200,000/US$ 1,915
Buy	Sell JPY/Buy US$	August 25, 2016	JPY 300,000/US$ 2,741
Buy	Sell JPY/Buy US$	August 31, 2016	JPY 200,000/US$ 1,807
Buy	Sell JPY/Buy US$	August 31, 2016	JPY 300,000/US$ 2,711
Buy	Sell JPY/Buy US$	September 9, 2016	JPY 107,540/US$ 1,000
December 31, 2015			
Sell	Sell EUR/Buy US$	February 8, 2016	EUR 2,000/US$ 2,180
Sell	Sell EUR/Buy US$	February 9, 2016	EUR 2,000/US$ 2,171
Sell	Sell EUR/Buy US$	March 10, 2016	EUR 2,000/US$ 2,191
Buy	Sell RMB/Buy US$	January 21, 2016	RMB 9,832/US$ 1,500
Buy	Sell JPY/Buy US$	February 26, 2016	JPY 300,000/US$ 2,451
Buy	Sell JPY/Buy US$	March 1, 2016	JPY 300,000/US$ 2,455
Buy	Sell JPY/Buy US$	March 1, 2016	JPY 300,000/US$ 2,455
Buy	Sell JPY/Buy US$	March 11, 2016	JPY 200,000/US$ 1,632
June 30, 2015			
Sell	Sell EUR/Buy US$	July 27, 2015	EUR 2,000/US$ 2,258
Buy	Sell JPY/Buy US$	August 13, 2015	JPY 300,000/US$ 2,519
Buy	Sell JPY/Buy US$	August 14, 2015	JPY 300,000/US$ 2,519

The Corporation entered into derivative transactions during the six months ended June 30, 2016 and 2015 to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

At the end of the reporting period, outstanding interest swap contracts not under hedge accounting were as follows:

Contract Amount (In Thousands)	Maturity Period	Interest Rates - Payments	Interest Rates - Receipts
December 31, 2015			
$ 25,700	May 28, 2013-May 28, 2018	1.150%	0.808% (floating)
June 30, 2015			
$ 25,700	May 28, 2013-May 28, 2018	1.150%	0.875% (floating)

The Corporation entered into derivative transactions during the six months ended June 30, 2016 and 2015 to manage exposures to interest rate fluctuations of assets and liabilities.

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	June 30, 2016	December 31, 2015	June 30, 2015
Noncurrent			
Domestic quoted shares			
ThinTech Materials Technology Co., Ltd. (TTMC)	$ 101,197	$ 109,873	$ 126,625

As of June 30, 2016, December 31, 2015 and June 30, 2015, the carrying amounts of the Corporation's investment in TTMC's private-placement shares were $95,830 thousand, $103,950 thousand and $119,840 thousand, respectively; under Article 43-8 of the Securities and Exchange Act, there is a legally enforceable restriction on private-placement shares, which prevents their trading.

Except as stated above, the available-for-sale financial assets were not used as guarantee or collateral for loan and do not have other operating restrictions.

9. FINANCIAL ASSETS CARRIED AT COST

	June 30, 2016	December 31, 2015	June 30, 2015
Noncurrent			
Domestic unlisted common shares			
EXOJET Technology Corporation ("EXOJET")	$ 30,100	$ 30,100	$ 42,500
Overseas unlisted common shares			
SUN APPENNINO CORPORATION	22,590	22,590	22,590
FICUS CAPITAL CORPORATION	1,259	1,259	1,259
TG ENERGY SOLUTIONS LCC	646	662	618
	$ 54,595	$ 54,611	$ 66,967
Classified according to financial asset measurement categories			
Available-for-sale financial assets	$ 54,595	$ 54,611	$ 66,967

Management believed that the above domestic and foreign unlisted equity investments held by the Corporation have fair value that cannot be reliably measured because the range of reasonable fair value estimates was significant; thus, they were measured at cost less impairment at the end of reporting period.

The financial assets carried at cost were not used as guarantee or collateral for loan and do not have other operating restrictions.

10. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	June 30, 2016	December 31, 2015	June 30, 2015
Noncurrent			
Puttable preferred stock (C-Share II)-Phanes Holding Inc.	$ 145,287	$ 146,453	$ -
Puttable preferred stock (C-Shares III)-Phanes Holding Inc.	161,430	163,650	-
	$ 306,717	$ 310,103	$ -

Phanes Holding Inc. ("Phanes Holding"), a project developer, is an overseas unlisted company. General Energy Solutions (GES), a subsidiary of NSP, has successfully built several power facilities in the United Kingdom and Dominican Republic through the cooperative relationship with Phanes Holding. In order to build a long-term cooperative strategic relationship with Phanes Holding, GES subscribed for the following preferred stocks issued by Phanes Holding at par on December 18, 2015:

1) Two-year puttable preferred stock (C-Shares II) with 4,500 shares amounting to US$4,500 thousand ($145,287 thousand) for 100% interest

2) Five-year puttable preferred stock (C-Shares III) with 24,000 shares amounting to US$5,000 thousand ($161,430 thousand) for 100% interest

The above preferred stocks carried no voting rights and dividend rights but preferential rights on dividends specified at 7% of the par value. The preferred stocks can be redeemed prior to or later than the maturity date under the agreement between GES and Phanes Holding.

There was no significant addition, deduction, impairment or reversal in GES's debt investments with no active market for the six months ended June 30, 2016. For the six months ended June 30, 2016, the interest income of puttable preferred stock was $11,567 thousand.

The debt investments with no active market had not been pledged as security as of June 30, 2016.

At the end of the reporting period, the registration of the puttable preferred stock was still in process.

11. NOTES AND ACCOUNTS RECEIVABLE AND INSTALLMENT ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	June 30, 2016	December 31, 2015	June 30, 2015
Notes and accounts receivable			
Notes and accounts receivable	$ 3,550,322	$ 4,926,841	$ 4,890,963
Accounts receivable - related parties	275,898	340,460	7,720
Less: Allowance for impairment loss	(419,349)	(321,652)	(180,845)
	$ 3,406,871	$ 4,945,649	$ 4,717,838

(Continued)

	June 30, 2016	December 31, 2015	June 30, 2015
Other receivables			
Other receivables - related parties	$ 636,588	$ 476,099	$ 498,396
Sales tax refund receivable	69,210	57,511	56,500
Others	23,224	9,834	62,392
	$ 729,022	$ 543,444	$ 617,288

(Concluded)

a. Notes and accounts receivable

The credit periods for the sale of goods were (a) 30 to 120 days after the end of the month; (b) 14 to 365 days from the invoice date; and (c) 30 to 90 days for letters of credit and the average credit periods for power facility construction were 180 to 360 days. No interest was charged on accounts receivable. For overdue accounts receivable, interest was charged on the basis of management's judgment. In determining the recoverability of accounts receivable, the Corporation considered any change in the credit quality of the accounts receivable since the date credit was initially granted to the end of the reporting period. Allowance for impairment loss was recognized on the basis of irrecoverable amounts estimated through aging analysis, reference to past default of the counterparties and an assessment of their current financial position.

For the accounts receivable that were past due but not impaired at the end of the reporting period, the Corporation did not recognize an allowance for impairment loss because there was no significant change in credit quality and the amounts were considered recoverable. In addition, the Corporation had obtained proper collateral or other credit enhancements for these receivables. As of June 30, 2016, December 31, 2015 and June 30, 2015, the amounts of collaterals or other credit enhancements for these receivables were $114,371 thousand, $89,565 thousand and $105,131 thousand, respectively. The Corporation had no legal right to offset the receivables against any amounts owed by the Corporation to the counterparties.

The aging of receivables was as follows:

	June 30, 2016	December 31, 2015	June 30, 2015
Up to 60 days	$ 2,971,959	$ 4,735,550	$ 4,246,379
61-90 days	83,912	12,413	87,560
91-120 days	106,844	55,600	348,147
More than 120 days	663,505	463,738	216,597
Total	$ 3,826,220	$ 5,267,301	$ 4,898,683

Above analysis was based on the past due days from end of credit term.

The aging of receivables that were past due but not impaired was as follows:

	June 30, 2016	December 31, 2015	June 30, 2015
Up to 60 days	$ 350,235	$ 486,868	$ 418,524
61-90 days	83,912	12,413	63,184
91-120 days	96,534	55,600	348,147
More than 120 days	197,158	142,085	211,029
	$ 727,839	$ 696,966	$ 1,040,884

Above analysis was based on the past due days from end of credit term.

Movements in the allowance for impairment loss recognized on notes receivable and accounts receivable were as follows:

	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2015	$ 7,463	$ -	$ 7,463
Impairment loss recognized on receivables	174,543	-	174,543
Translation adjustments	(1,161)	-	(1,161)
Balance at June 30, 2015	$ 180,845	$ -	$ 180,845
Balance at January 1, 2016	$ 321,652	$ -	$ 321,652
Impairment loss recognized on receivables	110,890	-	110,890
Translation adjustments	(13,193)	-	(13,193)
Balance at June 30, 2016	$ 419,349	$ -	$ 419,349

Allowance for impairment loss included individually impaired accounts receivable amounting to $419,349 thousand, $321,652 thousand and $180,845 thousand as of June 30, 2016, December 31, 2015 and June 30, 2015, respectively. These amounts were recognized according to the Corporation's risk control process involving customers with tight cash flows. The recognized impairment represents the difference between the carrying amount of these accounts receivable and the present value of the expected proceeds to be received from liquidation. The Corporation did not hold any collateral on these impaired receivables.

b. Installment accounts receivable and other receivables

	June 30, 2016	December 31, 2015	June 30, 2015
Gross amount of installment accounts receivable	$ 1,335,971	$ 399,408	$ -
Unrealized interests revenue	(136,423)	(42,005)	-
	$ 1,199,548	$ 357,403	$ -
Other receivables	$ 729,022	$ 543,444	$ 617,288
Allowance for impairment loss	-	-	-
	$ 729,022	$ 543,444	$ 617,288

At the end of the reporting period, installment accounts receivable from sales of machinery and equipment with the expected amount to be collected during 2016 to 2027 are as follows:

Year	Amount
2016	$ 10,969
2017	87,097
2018	112,877
2019	115,127
2020	117,421
2021	119,762
2022	122,149
2023	124,584
2024	127,068
2025	129,602
2026	109,319
2027	23,573
	$ 1,199,548

None of the Corporation's installment accounts receivable was past due or impaired.

The credit period of other receivables is basically 60 days after the end of the month. Allowance for impairment loss is assessed on the basis of estimated irrecoverable amounts determined by aging analysis, reference to past default experience of the counterparties and an assessment of their current financial position.

The status of other receivables at the end of the reporting period is presented in the following table, in which other receivables had not been impaired.

	June 30, 2016	December 31, 2015	June 30, 2015
Neither past due nor impaired	$ 261,173	$ 265,039	$ 147,144
Past due but not impaired - more than 120 days	467,849	278,405	470,144
	$ 729,022	$ 543,444	$ 617,288

Above analysis was based on the past due days from end of credit term.

12. FINANCE LEASE RECEIVABLES

	June 30, 2016	December 31, 2015	June 30, 2015
Gross investment in leases			
Not later than one year	$ 179,087	$ 201,477	$ 160,800
Over one year and less than five years	711,276	795,686	645,687
Later than five years	1,801,357	2,136,843	1,629,305
	2,691,720	3,134,006	2,435,792
Less: Unearned finance income	926,061	1,128,271	839,996
Present value of minimum lease payments	$ 1,765,659	$ 2,005,735	$ 1,595,796

The Corporation entered into several electricity purchase agreements (refer to Note 39 a.2)) for the Corporation to sell all electricity to Taiwan Power Company, Tokyo Electric Power Company, Inc., Good Energy Limited and Indianapolis Power & Light Company, etc. after the electric generating facilities become operational with distribution system. The average term of finance leases entered into was 15 to 25 years. Since these agreements were covered by IFRIC 4 "Determining Whether an Arrangement contains a Lease" and IAS 17 "Leases," they were accounted for as finance lease.

The interest rate inherent in the leases was fixed at the contract date for the entire lease term. The effective interest rate contracted was 3.02% to 9.10% per annum.

For the six months ended June 30, 2016, the Corporation sold part of its power facilities resulting in a disposal gain of $22,476 thousand.

The amounts of finance lease receivables pledged as collateral for bank loans are shown in Note 38.

The finance lease receivables as of June 30, 2016, December 31, 2015 and June 30, 2015 were neither past due nor impaired.

13. INVENTORIES

	June 30, 2016	December 31, 2015	June 30, 2015
Finished goods	$ 2,019,292	$ 1,010,463	$ 1,101,393
Work in progress	287,687	302,321	239,670
Raw materials	1,483,745	1,043,390	774,726
Power facility construction in progress	2,107,352	1,896,933	467,316
	$ 5,898,076	$ 4,253,107	$ 2,583,105

Power facility construction in progress is the cost of Power facility construction which will be sold in the near future.

Allowances for inventory losses were $610,453 thousand, $301,657 thousand and $358,254 thousand as of June 30, 2016, December 31, 2015 and June 30, 2015, respectively.

For the three months ended June 30, 2016, the cost of sales related to inventories was $4,885,914 thousand, which included (1) unallocated fixed manufacturing overheads of $176,069 thousand; (2) income of $4,433 thousand from the sale of scraps and (3) loss of $919 thousand from the disposal of obsolete inventories; (4) allowance for losses on inventories of $215,416 thousand; and (5) gain on reversal of loss on purchase contract of $443 thousand.

For the three months ended June 30, 2015, the cost of sales related to inventories was $5,180,992 thousand, which included (1) unallocated fixed manufacturing overheads of $96,680 thousand; (2) income of $5,820 thousand from the sale of scraps and (3) reversal of $45,043 thousand losses on inventories. The allowance for losses on inventory was reversed as a result of the subsequent sale of obsolete inventories and the decrease of the unit cost of products.

For the six months ended June 30, 2016, the cost of sales related to inventories was $10,052,514 thousand, which included (1) unallocated fixed manufacturing overheads of $265,405 thousand; (2) income of $11,594 thousand from the sale of scraps; (3) loss of $1,737 thousand from the disposal of obsolete inventories; (4) allowance for losses on inventories of $312,816 thousand; and (5) gain on reversal of loss on purchase contracts of $5,046 thousand.

For the six months ended June 30, 2015, the cost of sales related to inventories was $9,921,259 thousand, which included (1) unallocated fixed manufacturing overheads of $251,015 thousand; (2) income of $13,151 thousand from the sale of scraps and (3) allowance for losses on inventories of $22,161 thousand.

Refer to Note 38 for the carrying amount of inventories pledged by the Corporation to secure borrowings.

14. NONCURRENT ASSETS HELD FOR SALE

	June 30, 2016	December 31, 2015	June 30, 2015
Machinery and equipment	$ 38,725	$ 2,876	$ 322,058
Miscellaneous equipment	-	-	7,100
	$ 38,725	$ 2,876	$ 329,158

In 2014, the Corporation intended to proceed an exchange of assets with some machinery and equipment and advance payments. Such transaction was expected to be completed in 2015. On the reclassification of such assets as held for sale, the Corporation assessed their recoverable amount as less than their carrying amount; thus, impairment loss of $40,319 thousand was recognized for the year ended December 31, 2014; furthermore, after further assessment, an additional impairment loss of $7,709 thousand was recognized during the six months ended June 30, 2015, and the disposal was completed in April 2016.

In the second quarter of 2015, NSP intended to dispose a parcel of machinery and equipment and miscellaneous equipment and therefore reclassified such assets to noncurrent assets classified as held for sale. On November 10, 2015, NSP's board of directors approved the disposal of the above assets to TS Solartech Sdn Bhd. by installment payment. The first disposal had been completed on November 27, 2015; the second disposal is expected to be completed in November 2016. When such assets were reclassified as held for sale, NSP did not recognize any impairment loss.

15. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

			% of Ownership			
Investor	Investee	Main Business	June 30, 2016	December 31, 2015	June 30, 2015	Remark
NSP	General Energy Solutions Inc. ("General Energy Solutions")	Electronic component manufacturing and selling	75.89	75.89	75.83	-
	Prime Energy Corp. ("Prime Energy")	Electronic component manufacturing and selling	100.00	100.00	100.00	-
	V5 Technology Ltd. ("V5 Technology")	Electronic component manufacturing and selling	61.33	61.33	59.43	-
	New Ray Investment Corp. ("New Ray Investment")	Investment company	100.00	100.00	100.00	-
	DelSolar Holding Singapore Pte. Ltd. ("DelSolar Singapore")	Investment company	100.00	100.00	100.00	-
	DelSolar Holding (Cayman) Ltd. ("DelSolar Cayman")	Investment company	100.00	100.00	100.00	-
	NSP Systems (BVI) Ltd. ("NSP BVI")	Investment company	100.00	100.00	-	-
	NSP UK Holding Limited ("NSP UK")	Investment company	100.00	100.00	-	-
	Best Power Service Corp. ("BPS")	Solar-related business	60.00	60.00	-	-
	NSP System Development Corp. ("NSP System")	Investment company	100.00	100.00	-	-
	New Castle Investment Corp. ("New Castle")	Investment company	55.00	55.00	-	-

(Continued)

Investor	Investee	Main Business	% of Ownership June 30, 2016	% of Ownership December 31, 2015	% of Ownership June 30, 2015	Remark
General Energy Solutions	Yong Liang Ltd. ("Yong Liang")	Solar-related business	100.00	100.00	100.00	-
	Yong Han Ltd. ("Yong Han")	Solar-related business	100.00	100.00	100.00	-
	Yong Zhou Ltd. ("Yong Zhou")	Solar-related business	100.00	100.00	100.00	-
	Yun Yeh Energy Inc. ("Yun Yeh")	Solar-related business	100.00	100.00	100.00	-
	EverLite Power Inc. ("EverLite")	Electronic component manufacturing and selling	100.00	-	-	-
	General Energy Solutions International Co., Ltd. ("GES Samoa")	Investment company	-	-	-	Note 1
	GES JAPAN CORPORATION ("GES JAPAN")	Investment company	-	-	-	Note 1
	GES Global Co. Limited ("GES BVI")	Investment company	-	-	-	Notes 2 and 7
	General Energy Solutions UK Limited ("GES UK")	Investment company	100.00	100.00	-	Note 1
	Canoga Limited ("Canoga")	Investment company	-	-	100.00	Note 3
	Abacus Renewable One Japan Ltd. ("Abacus")	Solar-related business	100.00	100.00	-	Note 3
GES Samoa	General Energy Solutions UK Limited ("GES UK")	Investment company	-	-	100.00	Note 1
GES UK	General Energy Solutions USA. Inc. ("GES USA")	Investment company	100.00	100.00	100.00	-
	GENERAL ENERGY SOLUTIONS PHILIPPENS, INC. ("GES PH")	Solar-related business	100.00	100.00	100.00	-
	GES JAPAN	Investment company	100.00	100.00	100.00	Note 1
	NCH Solar 1 Limited ("NCH Solar 1")	Solar-related business	100.00	100.00	100.00	Note 4
	GES Solar 2 Limited ("GES Solar 2")	Solar-related business	100.00	100.00	-	-
	GES Solar 3 Limited ("GES Solar 3")	Solar-related business	100.00	100.00	-	-
	GES Solar 4 Limited ("GES Solar 4")	Solar-related business	-	-	-	Note 5
	GES Solar 5 Limited ("GES Solar 5")	Solar-related business	-	-	-	Note 5
	GES Solar 6 Limited ("GES Solar 6")	Solar-related business	-	-	-	Note 5
	GES Solar 7 Limited ("GES Solar 7")	Solar-related business	-	-	-	Note 5
	GES Solar 8 Limited ("GES Solar 8")	Solar-related business	-	-	-	Note 5
	General Energy Solutions CANADA Inc. ("GES CANADA")	Investment company	100.00	100.00	-	-
GES USA	ET ENERGY SOLUTIONS LLC ("ET ENERGY")	Solar-related business	100.00	100.00	100.00	-
	TIPPING POINT ENERGY COC PPA SPE-1, LLC ("TIPPING POINT")	Solar-related business	100.00	100.00	100.00	-
	GES MEGAONE, LLC ("MEGAONE")	Solar-related business	-	-	-	Note 6
	MEGATWO, LLC ("MEGATWO")	Solar-related business	-	-	-	Note 7
	GES MEGAFOUR, LLC ("MEGAFOUR")	Solar-related business	-	-	-	Note 6
	GES MEGAFIVE, LLC ("MEGAFIVE")	Solar-related business	-	-	-	Note 7
	GES MEGASIX, LLC ("MEGASIX")	Solar-related business	-	-	-	Note 7
	GES MEGASEVEN, LLC ("MEGASEVEN")	Solar-related business	-	-	-	Note 7
	GES MEGAEIGHT, LLC ("MEGAEIGHT")	Solar-related business	-	-	-	Note 7
	GES ASSET ONE, LLC. ("ASSET ONE")	Solar-related business	-	-	-	Note 7
	GES ASSET TWO, LLC. ("ASSET TWO")	Solar-related business	-	-	-	Note 7
	GES ASSET THREE LLC ("ASSET THREE")	Solar-related business	-	-	-	Note 7
	GES ASSET FOUR LLC ("ASSET FOUR")	Solar-related business	-	-	-	Note 7
	CENERGY PORTFOLIO LLC ("CENERGY")	Solar-related business	-	-	-	Note 7
	SH4 SOLAR LLC ("SH4")	Solar-related business	100.00	-	-	-
	SEC Newco., LLC ("SEC Newco")	Solar-related business	-	-	-	Note 6

(Continued)

Investor	Investee	Main Business	% of Ownership June 30, 2016	% of Ownership December 31, 2015	% of Ownership June 30, 2015	Remark
GES USA	Bulldog Energy Airport LLC ("Bulldog")	Solar-related business	-	-	-	Note 6
	Cedar Falls Solar Farm,LLC("Cedar Falls")	Solar-related business	100.00	-	-	-
GES JAPAN	GES FUKUSHIMA CORPORATION ("GES FUKUSHIMA")	Solar-related business	100.00	100.00	100.00	-
GES CANADA	ELECTRONIC J.R.C., S.R.L ("JRC")	Solar-related business	100.00	100.00	-	-
CENERGY	Smart Farm Inashiki Godo Kaisha ("Inashiki GK")	Solar-related business	-	-	-	Note 7
	Smart Farm Namegata Godo Kaisha ("Namegata GK")	Solar-related business	-	-	-	Note 7
MEGA TWO	Munisol S.A.P.I. de C.V. ("Munisol")	Solar-related business	-	-	-	Notes 7 and 8
ASSET THREE	GES Asset Three Shima's, LLC ("Shima's")	Solar-related business	-	-	-	Note 7
	GES Asset Three Waimea, LLC ("Waimea")	Solar-related business	-	-	-	Note 7
	GES Asset Three Honokawai, LLC("Honokawai")	Solar-related business	-	-	-	Note 7
	GES Asset Three Eleele, LLC("Eleele")	Solar-related business	-	-	-	Note 7
	GES Asset Three Hanalei, LLC ("Hanalei")	Solar-related business	-	-	-	Note 7
	GES Asset Three Kappa, LLC("Kappa")	Solar-related business	-	-	-	Note 7
	GES Asset Three Koloa, LLC("Koloa")	Solar-related business	-	-	-	Note 7
NSP BVI	NSP HK Holding Ltd.("NSP HK")	Solar-related business	-	-	-	Note 7
	Clean Focus GP Limited ("CFGP")	Investment company	100.00	100.00	-	-
DelSolar Cayman	DelSolar (HK) Ltd. ("DelSolar HK")	Investment company	100.00	100.00	100.00	-
	DelSolar US Holdings (Delaware) Corporation ("DelSolar US")	Investment company	100.00	100.00	100.00	-
	NSP SYSTEM NEVADA HOLDING CORP. ("NSP NEVADA")	Solar-related business	-	-	-	Notes 2 and7
DelSolar Singapore	DelSolar India EPC Company Private Ltd. ("DelSolar India")	Solar-related business	100.00	100.00	100.00	-
NSP UK	NSP Germany GmbH ("NSP Germany")	Solar-related business	90.00	90.00	-	-
	PV-Power-Park Pro 1 Verwaltungs GmbH ("PV-Power-Park")	Solar-related business	100.00	100.00	-	Note 9
NSP System	Hsin Jin Optoelectronics ("Hsin Jin Optoelectronics")	Solar-related business	80.00	80.00	-	-
	Si One Corp. ("Si One")	Solar-related business	100.00	100.00	-	-
.	Hsin Jin Solar Energy Co., Ltd. ("Hsin Jin Solar Energy")	Solar-related business	60.00	60.00	-	-
	Da Li Energy Co., Ltd. ("Da Li Energy")	Solar-related business	100.00	-	-	-
NSP HK	XYH (Suzhou) Energy Ltd. ("XYH Suzhou")	Solar-related business	100.00	-	-	Note 8
DelSolar HK	DelSolar (Wu Jiang) Ltd. ("DelSolar Wu Jiang")	Solar-related business	100.00	100.00	100.00	-
	NSP Japan Inc. ("NSP Japan")	Solar-related business	100.00	100.00	-	-
	Neo Solar Power (Nanchang) Ltd. ("NSP Nanchang")	Solar-related business	100.00	100.00	-	-
NSP NEVADA	Livermore Community Solar Farm, LLC ("Livermore")	Solar-related business	75.00	-	-	-
	HI Solar Green 1 LLC	Solar-related business	-	-	-	Note 7
	HI Solar Green 2 LLC	Solar-related business	-	-	-	Note 7
	HI Solar Green 3 LLC	Solar-related business	-	-	-	Note 7
	HI Solar Green 4 LLC	Solar-related business	-	-	-	Note 7
	HI Solar Green 5 LLC	Solar-related business	-	-	-	Note 7
	HI Solar Green 6 LLC	Solar-related business	-	-	-	Note 7
	HI Solar Green 7 LLC	Solar-related business	-	-	-	Note 7
	HI Solar Green 8 LLC	Solar-related business	-	-	-	Note 7
	HI Solar Green 9 LLC	Solar-related business	-	-	-	Note 7
	HI Solar Green 10 LLC	Solar-related business	-	-	-	Note 7

(Continued)

Investor	Investee	Main Business	% of Ownership June 30, 2016	December 31, 2015	June 30, 2015	Remark
DelSolar US	DelSolar Development (Delaware) LLC (“DelSolar Development”)	Solar-related business	100.00	100.00	100.00	-
	Clean Focus Renewables Inc. (“CFR”)	Solar-related business	100.00	100.00	-	-
	USD1 Owner LLC (“USD1”)	Solar-related business	100.00	100.00	-	-
	CF Vegas Holdings LLC (“CF Vegas”)	Solar-related business	-	100.00	-	Note 6
DelSolar Wu Jiang	XYH (Suzhou) Energy Ltd. (“XYH Suzhou”)	Solar-related business	-	100.00	-	Note 8
DelSolar Development	DSS-USF PHX LLC	Solar-related business	100.00	100.00	100.00	-
	DSS-RAL LLC	Solar-related business	100.00	100.00	100.00	-
CFR	Rugged Solar LLC	Solar-related business	-	-	-	Note 7

(Concluded)

Note 1: The Corporation has started simplifying the organization structure since 2013. In the end of 2013, General Energy Solutions (GES) sold its entire shares of GES UK to GES’s 100% owned subsidiary, GES Samoa; and sold GES Samoa’s entire shares of GES USA to GES Samoa’s 100% owned second-tier subsidiary, GES UK; and sold GES’s and GES UK’s entire shares of GES FUKUSHIMA to GES’s 100% owned subsidiary, GES JAPAN; and GES Samoa had been liquidated in the second half of 2014 and returned its entire share of GES UK to GES as return of capital shares, and the liquidation was completed in November 2015; and GES sold its entire shares of GES JAPAN to GES’s 100% owned subsidiary, GES UK in the first quarter of 2015. The organizational restructuring did not result in any gain or loss.

Note 2: The capital has not been invested as of June 30, 2016.

Note 3: Abacus, a company located in Japan indirectly became 100%-owned subsidiary after the Corporation acquired Hong Kong-based Canoga Limited (Canoga) in March 2015. In order to simplify the organization structure, Canoga sold its entire shares of Abacus at the carrying value to the Corporation in September 2015. The liquidation of Canoga had been completed in January 2016.

Note 4: GES UK’s 40% equity investment in NCH Solar 1 in October 2014 and the subscription for the remaining 60% equity in May 2015 turned NCH Solar 1 into 100% owned subsidiary instead of investment accounted for using the equity method.

Note 5: The liquidation of GES Solar 4, GES Solar 5, GES Solar 6, GES Solar 7 and GES Solar 8 had been completed in May 2016.

Note 6: CF Vegas, SEC Newco, Bulldog and MEGAFOUR were disposed in February 2016, March 2015, August 2015 and October 2015, respectively. MEGAONE was invested in January 2014 and was disposed in June 2015.

Note 7: GES BVI, MEGATWO, MEGAFIVE, MEGASIX, MEGASEVEN, MEGAEIGHT, ASSET ONE, ASSET TWO, ASSET THREE, ASSET FOUR, CENERGY, Inashiki GK, Namegata GK, Shima’s, Waimea, Honokawai, Eleele, Hanalei, Kappa, Koloa, NSP HK, NSP NEVADA, Munisol, HI Solar Green 1 LLC, HI Solar Green 2 LLC, HI Solar Green 3 LLC, HI Solar Green 4 LLC, HI Solar Green 5 LLC, HI Solar Green 6 LLC, HI Solar Green 7 LLC, HI Solar Green 8 LLC, HI Solar Green 9 LLC, HI Solar Green 10 LLC and Rugged Solar LLC were deemed as subsidiaries of the Corporation in accordance with SIC12 “Consolidation-Special Purpose Entities.”

Note 8: The ownership of Munisol had been transferred from GES USA to MEGATWO in June 2016; the ownership of XYH Suzhou had been transferred from Delsolar Wu Jiang to NSP HK in June 2016.

Note 9: UNA 249 Equity Management GmbH (UNA 249), a subsidiary of NSP UK, had been renamed as PV-Power-Park Pro 1 Verwalttungs GmbH (PV-Power-Park) in May 2016.

Note 10: Except for DelSolar Wu Jiang, the above subsidiaries included in the consolidated financial statements were nonsignificant subsidiaries; their financial statements had not been reviewed.

b. Details of subsidiaries that have material noncontrolling interests

		% of Ownership and Voting Rights Held by Noncontrolling Interests		
Name of Subsidiary	**Principal Place of Business**	**June 30, 2016**	**December 31, 2015**	**June 30, 2015**
General Energy Solutions ("GES")	Hsin-chu	24.11	24.11	24.17

	Gain (Loss) Allocated to Noncontrolling Interests				Accumulated Noncontrolling Interests		
	For the Three Months Ended June 30		For the Six Months Ended June 30				
Name of Subsidiary	**2016**	**2015**	**2016**	**2015**	**June 30, 2016**	**December 31, 2015**	**June 30, 2015**
GES	$ (1,750)	$ (12,065)	$ 3,558	$ (33,766)	$ 557,470	$ 564,133	$ 573,514
Others	(5,233)	(4,751)	(10,865)	(8,370)	44,037	35,423	27,573
Total	$ (6,983)	$ (16,816)	$ (7,307)	$ (42,136)	$ 601,507	$ 599,556	$ 601,087

Summarized financial information in respect of each of the Corporation's subsidiaries that has material noncontrolling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

GES and GES's subsidiaries

	June 30, 2016	December 31,2015	June 30, 2015
Current assets	$ 3,938,370	$ 3,712,563	$ 2,663,421
Noncurrent assets	3,359,764	3,082,348	2,084,795
Current liabilities	3,651,244	3,060,872	1,077,685
Noncurrent liabilities	1,285,044	1,344,558	1,248,012
Equity	$ 2,361,846	$ 2,389,481	$ 2,422,519
Equity attributable to:			
Owners of GES	$ 1,804,376	$ 1,825,348	$ 1,849,005
Noncontrolling interests of GES	557,470	564,133	573,514
	$ 2,361,846	$ 2,389,481	$ 2,422,519

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Revenue	$ 77,249	$ 132,783	$ 464,532	$ 371,443
Profit (loss) for the period	$ (7,258)	$ (49,825)	$ 14,756	$ (140,161)
Other comprehensive income (loss) for the period	11,121	(21,766)	(42,391)	(35,341)
Total comprehensive income (loss) for the period	$ 3,863	$ (71,591)	$ (27,635)	$ (175,502)
Profit (loss) attributable to:				
Owner of GES	$ (5,508)	$ (37,760)	$ 11,198	$ (106,395)
Noncontrolling interests of GES	(1,750)	(12,065)	3,558	(33,766)
	$ (7,258)	$ (49,825)	$ 14,756	$ (140,161)
Total comprehensive income (loss) attributable to:				
Owner of GES	$ 2,932	$ (54,291)	$ (20,972)	$ (133,220)
Noncontrolling interests of GES	931	(17,300)	(6,663)	(42,282)
	$ 3,863	$ (71,591)	$ (27,635)	$ (175,502)
Net cash inflow (outflow) from:				
Operating activities	$ 45,474	$ 396,350	$ (16,237)	$ (37,198)
Investment activities	(441,728)	(327,281)	(411,022)	(359,310)
Finance activities	466,606	(15,511)	368,208	301,927
Effect of exchange rate changes	(2,524)	(21,766)	(2,399)	(35,341)
Net cash inflow (outflow)	$ 67,828	$ 31,792	$ (61,450)	$ (129,922)

16. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2016	December 31, 2015	June 30, 2015
Investment in associates	$ 72,438	$ 65,824	$ 64,563
Investment in joint venture	62,947	-	-
	$ 135,385	$ 65,824	$ 64,563

(Continued)

	June 30, 2016	December 31, 2015	June 30, 2015
Investment in associates			
Overseas unlisted companies			
MEGATHREE	$ 36,143	$ 38,675	$ 35,525
GES KYUSHU	30,933	20,477	21,035
Hashimoto	5,362	6,672	8,003
Renewable Energies Co., Ltd. ("Renewable")	-	-	-
Investment in joint venture			
Overseas unlisted company			
NSP ET CAP MN HOLDINGS LLC (JV2)	62,947	-	-
	$ 135,385	$ 65,824	$ 64,563

(Concluded)

At the end of the reporting period, the proportions of ownership and voting rights in the associate and joint venture held by the Corporation were as follows:

Name of Associate and Joint Venture	June 30, 2016	December 31, 2015	June 30, 2015
MEGATHREE	40%	40%	40%
GES KYUSHU	45%	45%	45%
Hashimoto	45%	45%	45%
Renewable	50%	50%	50%
JV2 (Note)	67%	-	-

Note: NSP ET CAP MN HOLDINGS LLC (JV2) was jointly invested by Delsolar US, a subsidiary of NSP, and ET Capital Solar Partners (USA), Inc. As of June 30, 2016, the Corporation held a 67% equity interest in JV2 and two of three seats of JV2's board of directors. Based on the contractual arrangement between Delsolar US and ET Capital Solar Partners (USA), Inc., any material management decisions of JV2 shall be approved by the full board of directors. Therefore, Delsolar US concluded that it does not have control over JV2. In addition, as specified in the contractual arrangement, both Delsolar US and ET Capital Solar Partners (USA), Inc. have equal profit distribution percentage.

The information of main business, principal place of operation and registered country of the above associates and joint venture is shown on Table 6.

The investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed.

The results and assets and liabilities of the above associates and joint venture are incorporated in these consolidated financial statements using the equity method of accounting.

The investment in the associates and joint venture had not been pledged as collateral for bank loans.

17. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2016	December 31, 2015	June 30, 2015
Carrying amounts			
Land	$ 547,638	$ 533,870	$ 440,596
Buildings	3,231,702	3,345,503	3,461,282
Machinery and equipment	6,199,601	7,626,300	7,857,685
Research and development equipment	22,211	28,212	33,922
Office equipment	14,304	21,885	28,965
Rental assets	106,850	120,113	122,073
Leasehold improvements	116,318	242,617	254,907
Miscellaneous equipment	92,078	129,781	139,789
Advance payments and construction in progress	1,563,123	876,073	906,758
	$ 11,893,825	$ 12,924,354	$ 13,245,977

	For the Six Months Ended June 30, 2015					
	Balance, Beginning of Period	Additions	Deduction	Reclassification	Translation Adjustments	Balance, End of Period
Cost						
Land	$ 440,596	$ -	$ -	$ -	$ -	$ 440,596
Buildings	4,324,180	421	-	420	-	4,325,021
Machinery and equipment	16,349,228	49,571	-	(217,037)	(86,833)	16,094,929
Research and development equipment	56,473	800	-	-	-	57,273
Office equipment	76,157	60	-	-	(560)	75,657
Rental assets	176,662	-	-	-	(5,756)	170,906
Leasehold improvements	341,799	750	-	1,552	(13,983)	330,118
Miscellaneous equipment	373,499	2,621	-	(4,642)	(1,916)	369,562
Advance payments and construction in progress	672,983	860,390	(480,777)	(144,018)	(1,820)	906,758
	22,811,577	$ 914,613	$ (480,777)	$ (363,725)	$ (110,868)	22,770,820
Accumulated depreciation						
Buildings	747,357	$ 116,382	$ -	$ -	$ -	863,739
Machinery and equipment	7,375,415	851,360	-	(73,909)	(48,283)	8,104,583
Research and development equipment	16,633	6,718	-	-	-	23,351
Office equipment	38,475	8,726	-	-	(509)	46,692
Rental assets	40,945	10,050	-	-	(2,162)	48,833
Leasehold improvements	65,746	17,259	-	-	(7,794)	75,211
Miscellaneous equipment	206,983	26,910	-	(2,863)	(1,257)	229,773
	8,491,554	$ 1,037,405	$ -	$ (76,772)	$ (60,005)	9,392,182
Accumulated impairment						
Machinery and equipment	126,533	$ 6,128	$ -	$ -	$ -	132,661
	$ 14,193,490					$ 13,245,977

	For the Six Months Ended June 30, 2016					
	Balance, Beginning of Period	Additions	Deduction	Reclassification	Translation Adjustments	Balance, End of Period
Cost						
Land	$ 533,870	$ -	$ -	$ -	$ 13,768	$ 547,638
Buildings	4,325,661	-	-	2,009	-	4,327,670
Machinery and equipment	16,755,496	7,680	(155,960)	(992,813)	(156,009)	15,458,394
Research and development equipment	57,745	-	-	-	-	57,745
Office equipment	77,215	34	-	(453)	(997)	75,799
Rental assets	185,681	-	-	-	(5,226)	180,455
Leasehold improvements	342,090	-	(11,361)	-	(25,283)	305,446
Miscellaneous equipment	385,477	313	(1,603)	(30,944)	(3,533)	349,710
Advance payments and construction in progress	876,073	1,096,619	(354,576)	(107,125)	52,132	1,563,123
	23,539,308	$ 1,104,646	$ (523,500)	$ (1,129,326)	$ (125,148)	22,865,980

(Continued)

	For the Six Months Ended June 30, 2016					
	Balance, Beginning of Period	**Additions**	**Deduction**	**Reclassification**	**Translation Adjustments**	**Balance, End of Period**
Accumulated depreciation						
Buildings	$ 980,158	$ 116,454	$ -	$ (644)	$ -	$ 1,095,968
Machinery and equipment	8,989,057	833,463	(102,736)	(488,610)	(98,914)	9,132,260
Research and development equipment	29,533	6,001	-	-	-	35,534
Office equipment	55,330	7,209	-	(70)	(974)	61,495
Rental assets	65,568	10,600	-	-	(2,563)	73,605
Leasehold improvements	99,473	16,103	(4,757)	-	(15,775)	95,044
Miscellaneous equipment	255,696	20,273	(1,058)	(14,622)	(2,657)	257,632
	10,474,815	$ 1,010,103	$ (108,551)	$ (503,946)	$ (120,883)	10,751,538
Accumulated impairment						
Machinery and equipment	140,139	$ -	$ (13,523)	$ -	$ (83)	126,533
Leasehold improvements	-	96,972	-	-	(2,888)	94,084
	140,139	$ 96,972	$ (13,523)	$ -	$ (2,971)	220,617
	$ 12,924,354					$ 11,893,825

(Concluded)

The Corporation assessed that there were indications of impairment on machinery and equipment and leasehold improvements because the recoverable amount of machinery and equipment and of leasehold improvements were estimated to be less than their carrying amount; thus, the Corporation recognized impairment losses on machinery and equipment of $6,128 thousand and on leasehold improvements of $96,972 thousand for the six months ended June 30, 2015 and 2016, respectively.

Property, plant and equipment are depreciated on a straight-line basis over the following estimated useful lives of the assets:

Buildings	15-21 years
Machinery and equipment	4-11 years
Research and development equipment	4-6 years
Office equipment	3-4 years
Rental assets	10 years
Leasehold improvements	4-11 years
Miscellaneous equipment	3-16 years

The major components of the buildings held by the Corporation included plants and electric-powered machinery, etc., which are depreciated over their estimated useful lives of 15 to 21 years.

Refer to Note 38 for the carrying amount of property, plant and equipment pledged by the Corporation to secure borrowings.

For the six months ended June 30, 2016 and 2015, the deductions were amounts transferred to finance lease receivables of $354,576 thousand and $480,777 thousand, respectively, purchase discount of property, plant and equipment of $30,070 thousand and nil, respectively, and disposal of property, plant and equipment of $16,780 thousand and nil, respectively.

For the six months ended June 30, 2016, there were reclassifications from prepayments for equipment of $145,721 thousand to advance payments and construction in progress and from advance payments and construction in progress of $3,123 thousand to other expenses and from machinery and equipment of $767,978 thousand to noncurrent assets classified as held for sale.

For the six months ended June 30, 2015, there were reclassifications from prepayments for equipment of $39,232 thousand to advance payments and construction in progress and advance payments and construction in progress of $29 thousand to other expenses, from noncurrent assets classified as held for sale of $182 thousand to machinery and equipment, from machinery and equipment of $319,238 thousand to noncurrent assets classified as held for sale and from miscellaneous equipment of $7,100 thousand to noncurrent assets classified as held for sale.

18. INTANGIBLE ASSETS

	June 30, 2016	December 31, 2015	June 30, 2015
Carrying amounts of each class			
Goodwill	$ 513,332	$ 513,332	$ 513,332
Contracts with customers	87,520	89,634	-
Brands	15,084	17,010	18,936
Patents	460	495	45
Others	1,587	-	-
	$ 617,983	$ 620,471	$ 532,313

	For the Six Months Ended June 30	
	2016	2015
Brands		
Cost		
Balance at January 1 and June 30	$ 133,709	$ 133,709
Accumulated amortization		
Balance at January 1	(116,699)	(112,847)
Amortization	(1,926)	(1,926)
Balance at June 30	(118,625)	(114,773)
	$ 15,084	$ 18,936

Contracts with customers were long-term electricity purchase agreements that the Corporation entered into with local power companies and with expected 20-year revenue generation from sale of electricity.

The above items of other intangible assets are amortized on a straight-line basis over 1 to 6 years.

For the six months ended June 30, 2016 and 2015, the Corporation did not recognize any impairment loss.

No intangible assets had been pledged as collateral for the Corporation's bank loans.

19. PREPAYMENTS FOR LEASE

	June 30, 2016	December 31, 2015	June 30, 2015
Current asset	$ 5,946	$ 582	$ 5,727
Noncurrent asset	22,600	23,587	21,657
	$ 28,546	$ 24,169	$ 27,384

Prepayments for lease, which mainly included land use rights paid for power facility construction in the U.S., are amortized on a straight-line basis over 30 years. As of June 30, 2016, December 31, 2015 and June 30, 2015, such land use rights amounted to $22,600 thousand, $23,587 thousand and $21,657 thousand, respectively. The Corporation had obtained the certificates of land use rights.

20. PREPAYMENTS AND OTHER ASSETS

	June 30, 2016	December 31, 2015	June 30, 2015
Prepayments			
Payments in advance	$ 1,962,779	$ 1,745,672	$ 1,754,413
Prepayments for equipment	82,687	157,427	39,627
Prepayments for investments	-	70,022	-
Others	179,276	179,036	49,812
	$ 2,224,742	$ 2,152,157	$ 1,843,852
Other assets			
Restricted assets	$ 384,865	$ 1,272,709	$ 548,049
Pledged time deposits	236,706	213,006	213,006
Prepaid sales tax	126,455	164,758	183,821
Temporary prepayments	43,031	80,717	80,792
Pledged bank acceptances	-	50,744	-
Others	59,910	81,531	86,863
	$ 850,967	$ 1,863,465	$ 1,112,531
Prepayments			
Current	$ 497,094	$ 635,751	$ 641,660
Noncurrent	1,727,648	1,516,406	1,202,192
	$ 2,224,742	$ 2,152,157	$ 1,843,852
Other assets			
Current	$ 430,496	$ 303,406	$ 345,821
Noncurrent	420,471	1,560,059	766,710
	$ 850,967	$ 1,863,465	$ 1,112,531

As of June 30, 2015 and December 31, 2015, the restricted assets consist of deposit reserve accounts of $548,049 thousand and $1,272,709 thousand, respectively.

As of June 30, 2016, the restricted assets consist of deposit reserve accounts of $361,365 thousand and certificate of deposit purchased for the declaration of preferred stock dividends of $23,500 thousand.

The Corporation recognized impairment loss on prepayments after assessment; please refer to Note 39 a.

21. LOANS

a. Short-term bank loans

	June 30, 2016	December 31, 2015	June 30, 2015
Working capital loans - interest at 0.6900%-3.5100% in 2016; 0.7200%-6.5600% in 2015	$ 6,088,887	$ 6,448,680	$ 3,663,039

b. Short-term bills payable

	June 30, 2016	December 31, 2015	June 30, 2015
Commercial paper	$ 150,000	$ 50,000	$ -
Less: Unamortized discount on bills payable	(216)	(88)	-
	$ 149,784	$ 49,912	$ -

Outstanding short-term bills payable were as follows:

June 30, 2016

Promissory Institutions	Nominal Amount	Discount Amount	Carrying Value	Interest Rate
Commercial paper				
International Bills Finance Corporation	$ 50,000	$ 41	$ 49,959	1.906%
Taiwan Cooperative Bills Finance Corporation	100,000	175	99,825	0.762%
	$ 150,000	$ 216	$ 149,784	

December 31, 2015

Promissory Institutions	Nominal Amount	Discount Amount	Carrying Value	Interest Rate
Commercial paper				
International Bills Finance Corporation	$ 50,000	$ 88	$ 49,912	1.91%

The Corporation did not pledge any asset as collateral for the short-term bills payable.

c. Long-term bank loans

	June 30, 2016	December 31, 2015	June 30, 2015
Syndicated loans: Lead bank - Taiwan Cooperative Bank			
Repayable semiannually from the date of first repayment, one year after the date of the initial drawdown, November 5, 2015 to November 5, 2018; if a two-year extension is agreed, the principal of the last period will be equally amortized within two years and repayable every 4.8 months; annual floating interest rates at 2.6418% in 2015 and 2.5091%-2.6418% in 2016	$ 2,000,000	$ 910,000	$ -
Repayable semiannually from the date of first repayment, 24 months after the date of the initial drawdown, November 5, 2015 to November 5, 2018; repayment of 20% for the first two periods on November 5, 2017 and May 5, 2018, respectively, and 60% on the last payment on November 5, 2018; if a two-year extension is agreed, the principal of the last period will be equally amortized within two years and repayable every 4.8 months; annual floating interest rate at 2.3542% in 2016	774,864	-	-
Repayable semiannually from November 2012 to November 2015; repayment of 10% for the first six periods and 40% on the last payment, annual floating interest rate at 1.3913%-1.6088% in 2015	-	-	540,993
Repayable semiannually from November 2012 to November 2015, annual floating interest rate at 1.5414%- 1.5453% in 2015	-	-	348,624

(Continued)

	June 30, 2016	December 31, 2015	June 30, 2015
Secured loan from Cathay Bank			
Repayable monthly from August 2015 to July 2027; annual floating interest rates at 3.5845%-4.0000% in 2015 and 4.0000%-4.3366% in 2016	$ 489,787	$ 519,168	$ -
Repayable monthly from June 2016 to November 2017 with monthly interest repayments; annual floating interest rate at 4.7500% in 2016	75,605	-	-
Repayable monthly from December 2015 to November 2022 with monthly interest repayments and annual floating interest rates at 5.0000% in 2015 and 5.0000% in 2016	30,758	33,066	-
Syndicated loans: Lead bank - CTBC Bank			
Paid off in June 2016; annual floating interest rates at 2.5721%- 2.6903% in 2015 and 2.5721% in 2016	-	1,000,000	1,000,000
Repayable semiannually from February 2012 to August 2016; repayment of 50% before February 2013, repayment of 10% through fourth to sixth repayment, and repayment of 40% for remaining periods before August 2016; annual floating interest rates at 2.5118%-2.6361% in 2015 and 2.5130%-2.6361% in 2016	-	412,000	668,000
Unsecured loan from King's Town Bank			
Repayable on the 30th of every even month from the date of the initial drawdown, October 16, 2015, with principal repayments of $5,000 thousand; annual floating interest rates at 1.7600%-1.8300% in 2015 and 1.6900%-1.7600% in 2016	-	195,000	-
Secured loan from King's Town Bank			
Repayable every two months from December 2015 to November 2028; annual floating interest rate at 3.2600% in 2015	-	81,300	-
Secured loan from EnTie Bank			
Repayable monthly from May 2013 to April 2020; annual floating interest rate at 3.7400%-3.7720% in 2015	-	17,643	19,275
Secured loan from Cathay United Bank			
Repayable quarterly from November 2013 to October 2026; repayment of at least US$6,500 thousand on the first installment; annual floating interest rate at 3.5356%-3.5609% in 2015	-	-	509,137

(Continued)

	June 30, 2016	December 31, 2015	June 30, 2015
Other borrowings			
Repayable monthly from January 2015 to December 2017	$ -	$ -	$ 79,169
Repayable monthly from July 2013 to June 2015	-	-	1,571
	3,371,014	3,168,177	3,166,769
Current portion	(439,096)	(1,579,826)	(1,498,872)
	$ 2,931,918	$ 1,588,351	$ 1,667,897

(Concluded)

Other borrowings were loans from a finance company with annual effective interest rates from 6.32% to 6.97% and were paid off in advance in August 2015.

The loan agreements on the Taiwan Cooperative Bank syndicated loan require the maintenance of certain financial ratios based on NSP's annual and semiannual financial reports. The related restrictions are as follows:

Taiwan Cooperative Bank syndicated loan:

1) Current ratio (Current assets÷Current liabilities): At least 100%;

2) Debt to equity ratio (Total liabilities and guarantee balances÷Tangible net worth): No more than 125%;

3) Interest coverage ratio [(Income before tax + Depreciation + Amortization + Interest expense)÷Interest expense]: At least 3.

4) Tangible net worth: At least $10,000,000 thousand.

NSP did not meet the required interest coverage ratio as of June 30, 2015, December 31, 2015 and June 30, 2016; thus, NSP accrued the related compensation expenses as required under the loan agreements.

NSP had acquired syndicated loans, with CTBC Bank as lead bank, because of a business combination. NSP renegotiated the loans with the banking syndicate, resulting in new loan agreements. These agreements require the maintenance of certain financial ratios based on NSP's consolidated annual and semiannual financial reports. The related restrictions are as follows:

CTBC Bank syndicated loan:

1) Current ratio (Current assets ÷ Current liabilities): At least 100%;

2) Debt to equity ratio (Total liabilities÷Total shareholders' equity): No more than 100%;

3) Interest coverage ratio [(Income before tax + Depreciation + Amortization + Interest expense)÷Interest expense]: At least 3.

4) Tangible net worth: At least $4,000,000 thousand.

NSP did not meet the required interest coverage ratio as of June 30, 2015 and December 31, 2015; thus, NSP accrued the related compensation expenses as required under the loan agreement. The loan was paid off as of June 30, 2016; hence, no breach of the contract has taken place.

The loan agreement between ET ENERGY and Cathay United Bank had been assigned to Cathay Bank since July 31, 2015, with an agreement on the loan extension subject to the original ratio requirements.

The loan agreement between ET ENERGY and Cathay Bank requires the maintenance of certain financial ratios based on ET ENERGY's quarterly financial reports. The related restriction is as follows:

Secured loan from Cathay Bank:

1) Debt service coverage ratio [(Income before tax + Depreciation + Amortization + Interest expense) ÷ principal and interest paid in current year]: No less than 125%.

ET ENERGY was not able to meet the required debt service coverage ratio as of December 31, 2015; nevertheless, according to the agreements, not meeting the requirement was not considered a breach. As of June 30, 2016, ET ENERGY was in compliance with above ratio requirements.

The loan agreement between ASSET THREE and Cathay Bank requires the maintenance of certain financial ratios based on ASSET THREE's quarterly financial reports. The related restrictions are as follows:

Secured loan from Cathay Bank:

1) Debt service coverage ratio [(Income before tax + Depreciation + Amortization + Interest expense) ÷ principal and interest paid in current year]: No less than 110%.

2) Debt service coverage ratio [(Income before tax + Depreciation + Amortization + Interest expense + Amount of the escrow account) ÷ principal and interest paid in current year]: No less than 150%.

As of June 30, 2016, if ASSET THREE fails to meet the abovementioned required financial ratios, the bank can request ASSET THREE to increase its balance of deposit reserve accounts in accordance with the contractual agreement. However, such required financial ratios were not applicable, considering that the power facility was not in operation before the commercial operation date.

The loan agreement between General Energy Solutions and EnTie Bank requires the maintenance of certain financial ratios based on General Energy Solutions's consolidated annual and semiannual financial reports. The related restrictions are as follows:

Secured loan from EnTie Bank:

1) Debt to equity ratio (Total liabilities and contingent liabilities÷Tangible net worth): No more than 300%;

2) Debt service coverage ratio [(Income before tax + Depreciation + Amortization + Interest expense)÷principal and interest paid in current year]: At least 1.

As of June 30, 2015 and December 31, 2015, General Energy Solutions was in compliance with the above ratio requirements except for the debt service coverage ratio. Nevertheless, not meeting the requirement was not considered a breach. The loan was paid off by General Energy Solutions as of March 31, 2016; hence, there was no breach.

The assets pledged as collaterals are shown in Note 38.

The contracts stated that falling short of the financial ratio is not considered breach of the contract.

d. Preference share liabilities

	June 30, 2016	December 31, 2015	June 30, 2015
First Preference Shares, Series A	$ 470,000	$ 470,000	$ 470,000

Nonconvertible Nonparticipating Redeemable Fixed Rate Cumulative First Preference Shares, Series A ("First Preference Shares, Series A"):

In their meeting on June 27, 2014, General Energy Solutions's (GES's) shareholders proposed to offer First Preference Shares, Series A ("FP Shares"); on October 24, 2014, GES's board of directors approved the issuance of these shares at a premium price of NT$50 per share, with an aggregate amount of $470,000 thousand.

The FP Shares are entitled to receive fixed cumulative preferential cash dividends at a rate of 5%, equal to NT$50 per share per annum. If profit is not sufficient to make distributions on these shares, the shortfall will be carried forward to the next year.

The FP Shares are entitled to preferential cash dividends only, and the shareholders do not have rights to participate or claim for a part in the surplus profits of GES.

The FP shareholders have a claim on liquidation proceeds of a share corporation equal to its par value. This claim has priority over that of common shareholders, who have only a residual claim.

The FP Shares do not have voting rights.

The FP shareholders and the common shareholders have the same pre-emption right when GES increases its capital by offering new common shares.

Within three years after the FP Share issuance date, GES has the option to redeem for cash all of the outstanding FP Shares. If this redemption does not take place, the rights and obligations of outstanding FP shares will be extended till redeemed.

GES incurred a deficit for the year ended December 31, 2015; thus, there was no distribution on FP Shares. In order to protect the shareholders' rights, GES purchased certificate of deposits (CDs) in the amount of $23,500 thousand from Cathay United Bank on February 16, 2016 which will be used as dividend payment for 2015.

22. BONDS PAYABLE

	June 30, 2016	December 31, 2015	June 30, 2015
Secured overseas convertible bonds (a)	$ 3,501,681	$ 3,461,799	$ 3,422,372
Secured domestic convertible bonds (b)	218,023	216,477	214,942
	3,719,704	3,678,276	3,637,314
Less: Current portion	(218,023)	(216,477)	-
	$ 3,501,681	$ 3,461,799	$ 3,637,314

a. Secured overseas convertible bonds

On July 18, 2014, NSP issued US$120,000 thousand, 0% 3-year secured overseas convertible bonds, listed on the Singapore Exchange Securities Trading Limited. Each bond entitles the holder to convert into ordinary shares of NSP at a conversion price of $39.05. Conversion may occur at any time between August 27, 2014 and July 8, 2017 and will be adjusted according to the contracts afterwards. The conversion price was initially set at $39.05 per share upon issuance, and was adjusted to $38.29 per share pursuant to the provisions of the trust deed of the bonds. On April 25, 2016, the conversion price was adjusted from $38.29 to $37.13 due to NSP's issuance of common shares for cash. If the bonds are not converted, they will be redeemed on July 18, 2017 in U.S. dollars, at a fixed exchange rate US$1 to $29.89.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of Capital Surplus - Conversion Option of Bonds. The effective interest rate of the liability component was 2.2931% per annum on initial recognition.

On August 4, 2016, NSP's board of directors made a resolution to amend the terms of the issuance of the secured overseas convertible bonds on July 18, 2014. The amendment of the terms includes compulsory full redemption of convertible bonds at the early redemption price upon the completion of issuance of NSP's third secured overseas convertible bonds or issuance of other offshore convertible bonds is completed. This amendment will become effective upon approval of ad hoc meeting of the bondholders.

Approved by NSP's board of directors on August 4, 2016, NSP will issue its third 0% 3-year secured overseas convertible bonds, with an aggregate cap principal amount (including oversubscription amount) of US$120,000 thousand and a face value of US$100 thousand, in order to repay the principal of the secured overseas convertible bonds issued on July 18, 2014, as well as meet capital requirements for bank loans upon approval of foregoing amendment to the terms in ad hoc meeting of the bondholders.

The loan agreement between NSP and ING Bank requires the maintenance of certain financial ratios during conversion period of overseas convertible bonds based on NSP's annual and semiannual financial reports. The related restrictions are as follows:

ING Bank:

1) Current ratio (Current assets ÷ Current liabilities): At least 100%;

2) Debt to equity ratio (Total liabilities ÷Tangible net worth): No more than 125%, total liabilities including contingent liabilities;

3) Interest coverage ratio [(Income before tax + Depreciation + Amortization + Interest expense) ÷ Interest expense]: At least 3.

4) Tangible net worth: At least $10,000,000 thousand.

As of June 30, 2015, December 31, 2015, June 30, 2016, NSP was in compliance with the above ratio requirements except for the interest coverage ratio. Nevertheless, not meeting the requirement was not considered a breach.

The assets pledged as collaterals are shown in Note 38.

The contracts stated that falling short of the financial ratio is not considered breach of the contract.

b. Secured domestic convertible bonds

On October 1, 2013, NSP issued its first and second 3-year domestic secured convertible bonds, with the total par value of $500,000 thousand, aggregate principal of $1,000,000 thousand and par rate of 0%. The bonds are convertible from November 2, 2013 to September 21, 2016 at applicable conversion price. The conversion price was initially set at $29.35 per share upon issuance, and was adjusted to $28.16 per share pursuant to the provisions of the trust deed of the bonds. On April 25, 2016, the conversion price was adjusted from $28.16 to $27.26 due to NSP's issuance of common shares for cash. The bonds will be redeemed at 100% of their principal amount on October 1, 2016.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - conversion option of bonds. The effective interest rates for the liability components of the first and second issue were 1.3964% and 1.5075% respectively, per annum on initial recognition.

23. ACCRUED EXPENSES AND OTHER LIABILITIES

	June 30, 2016	December 31, 2015	June 30, 2015
Accrued expenses			
Loss on contracts	$ 318,157	$ 318,157	$ 318,157
Salaries	161,054	194,629	179,195
Bonus	106,144	216,153	112,117
Service charge	80,999	77,176	85,515
Cash dividends	-	-	180,514
Others	737,491	635,454	497,328
	$ 1,403,845	$ 1,441,569	$ 1,372,826
Other liabilities			
Deferred revenue	$ 250,669	$ 265,757	$ 267,489
Receipts under custody	8,485	11,052	10,683
Advanced receipts from customers	5,506	24,901	14,491
Others	4,301	454	275
	$ 268,961	$ 302,164	$ 292,938
Current	$ 33,940	$ 56,622	$ 45,285
Noncurrent	235,021	245,542	247,653
	$ 268,961	$ 302,164	$ 292,938

24. PROVISIONS

	June 30, 2016	December 31, 2015	June 30, 2015
Current			
Customer returns and rebates	$ 8,588	$ -	$ -
Noncurrent			
Warranties	$ 195,261	$ 291,688	$ 247,112

	For the Six Months Ended June 30	
	2016	2015
Customer returns and rebates		
Balance at January 1	$ -	$ -
Additions	11,841	-
Reversal	(2,485)	-
Usage	(768)	-
Balance at June 30	$ 8,588	$ -
Warranties		
Balance at January 1	$ 291,688	$ 225,308
Additions	23,919	23,390
Reversal	(119,061)	-
Usage	(1,034)	(1,486)
Translation adjustments	(251)	(100)
Balance at June 30	$ 195,261	$ 247,112

The provision for customer returns and rebates was based on historical experience, management's judgments and other known reasons for possible returns and rebates. The provision was recognized as a reduction of operating income of the periods the related goods were sold.

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits on the Corporation's obligations stated in sales agreements. The estimate was based on historical warranty trends and may vary as a result of the entry of new materials, altered manufacturing processes or other events affecting product quality.

25. RETIREMENT BENEFIT PLANS

NSP and the Corporation's subsidiaries in Republic of China make monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages in accordance with the Labor Pension Act, and these contributions are recognized as pension costs.

The employees of the Corporation's subsidiaries in the People's Republic of China are members of a state-managed retirement benefit plan operated by the government of the People's Republic of China. The subsidiaries are required to contribute amounts equal to a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Corporation on the retirement benefit plan is to make the specified contributions.

26. EQUITY

a. Common shares

	June 30, 2016	December 31, 2015	June 30, 2015
Number of shares authorized (in thousands)	1,200,000	1,200,000	1,200,000
Amount of shares authorized	$ 12,000,000	$ 12,000,000	$ 12,000,000
Number of shares issued and fully paid (in thousands)	1,017,779	858,161	855,986
Shares issued	$ 10,177,797	$ 8,581,617	$ 8,559,865
Share premiums	11,545,379	11,404,787	11,404,787
	$ 21,723,176	$ 19,986,404	$ 19,964,652

Fully paid common shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

Of NSP's authorized shares, 80,000 thousand shares had been reserved for the issuance of employee share options.

On March 17, 2015, NSP's board of directors approved an increase in its capital by an issuance of up to 180,000 thousand shares of capital shares or global depositary shares.

On December 9, 2015, NSP's board of directors approved to increase its capital by a public offering of 160,000 thousand new common shares at a par value of $10. The issuance was approved by the FSC on January 18, 2016 and the offering date was on March 9, 2016. NSP's board of directors authorized the chairman to approve a decrease in the public offering price on March 25, 2016. In addition, the application for extension of period of public offering was approved by the FSC on April 12, 2016. The proceeds of the shares issued have been fully received and the issue date was April 25, 2016.

On March 15, 2016, NSP's board of directors approved an increase in its capital by issuance of up to 180,000 thousand shares of capital shares or global depositary shares, which was also approved by the shareholders in their meeting on June 16, 2016.

On April 29, 2016, NSP's board of directors approved to increase its capital by issuance of up to 180,000 thousand shares through private-placement shares, which was also approved by the shareholders in their meeting on June 16, 2016.

b. Capital surplus

	June 30, 2016	December 31, 2015	June 30, 2015
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Share premiums	$ 11,545,379	$ 11,404,787	$ 11,404,787
Premiums from the conversion of convertible bonds	507,846	507,846	507,846
May only be used to offset a deficit (2)			
Recognized from changes in percentage of ownership interest in subsidiaries	13,785	13,731	13,731
May not be used for any purpose			
Recognized from conversion option of bonds	156,427	156,427	156,427
Recognized from employee share options	3,022	3,022	3,022
Recognized from employee restricted shares	120,714	125,661	106,999
	$ 12,347,173	$ 12,211,474	$ 12,192,812

1) Such capital surplus may be used to offset a deficit; in addition, when NSP has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and once a year).

2) Such capital surplus was recognized from the effect of changes in ownership interest in a subsidiary that resulted from equity transactions other than actual disposal or acquisition, or from changes in capital surplus of subsidiaries accounted for by using equity method.

c. Retained earnings and dividend policy

In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The shareholders held their regular meeting on June 16, 2016 and, in that meeting, had resolved amendments to the NSP's Articles of Incorporation (the "Articles"), particularly the amendment to the policy on dividend distribution and the addition of the policy on distribution of employees' compensation.

Under the dividend policy as set forth in the amended Articles, where NSP made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve of 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by NSP's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For the policies on distribution of employees' compensation and remuneration to directors before and after amendment, please refer to Note 28 e.

The Articles of Incorporation of NSP also stipulate a dividend policy that the issuance of stock dividend takes precedence over the payment of cash dividends. In principle, cash dividends should be not less than 10% of total dividends distributed.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals NSP's paid-in capital. Legal reserve may be used to offset deficit. If NSP has no deficit and the legal reserve has exceeded 25% of NSP's paid-in capital, the excess may be transferred to capital or distributed in cash.

Under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", NSP should appropriate or reverse to a special reserve.

Except for non-ROC resident shareholders, all shareholders receiving the dividends are allowed a tax credit equal to their proportionate share of the income tax paid by NSP.

The offset of accumulated deficit for 2015 and the appropriations of earnings for 2014 had been approved in the shareholders' meetings on June 16, 2016 and June 17, 2015, respectively. The information was as follows:

	(Offset of Accumulated Deficit) Appropriation of Earnings For the Year Ended December 31		Dividends Per Share (NT$) For the Year Ended December 31
	2015	2014	2014
Unappropriated earnings	$ 217,545	$ -	
Net loss for the year	(1,455,641)	-	
Legal reserve	69,422	21,856	
Special reserve reversal	-	(18,928)	
Capital surplus - share premium	1,168,674	-	
Cash dividends	-	171,271	$ 0.2
	$ -	$ 174,199	

d. Unrealized loss on available-for-sale financial instruments

	For the Six Months Ended June 30	
	2016	2015
Balance at January 1	$ (71,074)	$ (101,421)
Unrealized loss on revaluation of available-for-sale financial assets	(8,676)	(31,432)
Cumulative gain on sale of available-for-sale financial assets reclassified to profit or loss	-	955
Balance at June 30	$ (79,750)	$ (131,898)

The unrealized (loss) gain on available-for-sale financial assets represents the cumulative gains and losses on the fair value changes of available-for-sale financial assets, which have been recognized in other comprehensive income.

27. REVENUE

The analysis of the Corporation's net sales was as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Revenue from the sale of goods	$ 4,408,693	$ 4,515,738	$ 9,466,875	$ 8,617,722
Revenue from the sale of power facility construction	33,184	95,597	382,914	300,497
Processing fees revenue	16,716	334,854	392,511	553,640
Revenue from other activities	45,300	41,273	165,501	145,938
	$ 4,503,893	$ 4,987,462	$ 10,407,801	$ 9,617,797

28. COMPREHENSIVE INCOME (LOSS)

a. Other income and expenses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Loss on impairment of property, plant and equipment	$ (96,972)	$ (6,128)	$ (96,972)	$ (6,128)
Loss on disposal of property, plant on equipment	(16,780)	-	(16,780)	-
Loss on impairment of noncurrent assets held for sale	-	(7,709)	-	(7,709)
Loss on disposal of noncurrent assets held for sale	(8,018)	(2,387)	(8,018)	(2,387)
	$ (121,770)	$ (16,224)	$ (121,770)	$ (16,224)

b. Interest income and other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Interest income				
Puttable preferred stock	$ 5,397	$ -	$ 11,567	$ -
Bank deposits	7,164	9,894	9,109	13,446
Installment accounts receivable	1,788	-	4,157	-
Late payment	-	-	1,027	-
Security deposits	79	4	85	10
Others	-	-	-	14
	$ 14,428	$ 9,898	$ 25,945	$ 13,470

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Other income				
Compensation income	$ 907	$ 872	$ 2,396	$ 4,467
Rental income	817	60	850	87
Government grants	-	3,048	-	3,050
Others	1,893	307	2,572	1,068
	$ 3,617	$ 4,287	$ 5,818	$ 8,672

(Concluded)

c. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Interest on bank loans	$ 46,809	$ 29,197	$ 98,959	$ 70,652
Interest on convertible bonds	20,773	20,307	41,428	40,502
Preferred dividends	6,152	11,653	12,305	11,653
Other interest expense	164	(241)	208	320
	$ 73,898	$ 60,916	$ 152,900	$ 123,127

d. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Property, plant and equipment	$ 490,814	$ 520,887	$ 1,010,103	$ 1,037,405
Intangible assets	981	995	1,961	1,958
Total	$ 491,795	$ 521,882	$ 1,012,064	$ 1,039,363
An analysis of depreciation by function				
Operating costs	$ 469,425	$ 495,714	$ 966,238	$ 986,458
Operating expenses	21,389	25,173	43,865	50,947
	$ 490,814	$ 520,887	$ 1,010,103	$ 1,037,405
An analysis of amortization by function				
Operating expenses	$ 981	$ 995	$ 1,961	$ 1,958

e. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Post-employment benefits (Note 25)				
Defined contribution plans	$ 22,049	$ 24,264	$ 46,137	$ 49,047
Share-based payments				
Equity-settled share-based payments	5,957	10,456	53,559	24,700
Other employee benefits	543,211	599,199	1,142,819	1,142,672
Total employee benefits expense	$ 571,217	$ 633,919	$ 1,242,515	$ 1,216,419
An analysis of employee benefits expense by function				
Operating costs	$ 419,464	$ 475,279	$ 840,567	$ 913,539
Operating expenses	151,753	158,640	401,948	302,880
	$ 571,217	$ 633,919	$ 1,242,515	$ 1,216,419

In compliance with the Company Act as amended in May 2015, the shareholders held their meeting and resolved amendments to NSP's Articles in June 2016; the amendments stipulate distribution of employees' compensation and remuneration to directors at the rates no less than 3% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration to directors. NSP incurred a deficit for the six months ended June 30, 2016; thus, neither compensation to employees nor remuneration to directors was estimated.

The Articles before the amendment stipulated to distribute bonus to employees and remuneration to directors at the rates no less than 3% and no higher than 2%, respectively, of net income (net of the bonus and remuneration). NSP incurred a deficit for the six months ended June 30, 2015; thus, neither bonus to employees nor remuneration to directors was estimated.

Material differences between these estimates and the amounts proposed by the board of directors on or before the date the annual consolidated financial statements are authorized for issue are adjusted in the year the compensation/bonus and remuneration are recognized. If there is a change in the proposed amounts after the date the annual consolidated financial statements had been authorized for issue, the differences are accounted for as a change in accounting estimate in the following year.

The appropriations of bonus to employees and remuneration to directors for 2014 have been approved in the shareholders' meeting on June 17, 2015. NSP incurred a deficit for the year ended December 31, 2015; thus, neither compensation to employees nor remuneration to directors was estimated. The information on the appropriations for 2014 was as follows:

	For the Year Ended December 31, 2014	
	Cash Dividends	Stock Dividends
Bonus to employees	$ 32,343	$ -
Remuneration to directors	4,312	-

There was no difference between the amounts of the bonus to employees and the remuneration to directors approved in the shareholders' meeting on June 17, 2015 and the amounts recognized in the consolidated financial statements for the year ended December 31, 2014.

Information on the bonus to employees and directors, proposed by NSP's board of directors and approved in the shareholders' meeting is available on the Market Observation Post System website of the TSE.

f. Net (loss) gain on foreign currency exchange

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Foreign exchange gains	$ 189,172	$ 98,230	$ 362,303	$ 172,233
Foreign exchange losses	(91,664)	(80,829)	(218,552)	(214,123)
Net gain (loss)	$ 97,508	$ 17,401	$ 143,751	$ (41,890)

g. Components of other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Unrealized loss on available-for-sale financial assets:				
Recognized during the period	$ (4,119)	$ (20,853)	$ (8,676)	$ (31,432)
Reclassification adjustments - Disposal	-	-	-	955
	$ (4,119)	$ (20,853)	$ (8,676)	$ (30,477)
Exchange difference on translating foreign operations:				
Recognized during the period	$ (51,971)	$ (71,007)	$ (180,152)	$ (120,489)

29. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of income tax were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Current tax				
Current period	$ (22,765)	$ (5,000)	$ (25,142)	$ (5,914)
Prior periods	(279)	327	452	327
Deferred tax				
Current period	6,043	5,829	11,906	11,522
Income tax (expense) benefit recognized in profit or loss	$ (17,001)	$ 1,156	$ (12,784)	$ 5,935

b. Integrated income tax

	June 30, 2016	December 31, 2015	June 30, 2015
NSP's accumulated deficit			
Accumulated deficit generated on and after January 1, 1998	$ (826,368)	$ (1,238,096)	$ (1,016,402)
NSP's imputation credits accounts	$ 141,601	$ 141,609	$ 190,890

The creditable ratio for distribution of earnings for 2014 was 26.13%. There was no distributable earnings for 2015 that led to a zero creditable ratio for distribution of earnings for 2015.

c. Income tax assessments

NSP's income tax returns through 2013 have been assessed by the tax authorities.

30. LOSS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Basic loss per share	$ (0.96)	$ (0.90)	$ (0.90)	$ (1.45)
Diluted loss per share	$ (0.96)	$ (0.90)	$ (0.90)	$ (1.45)

The loss and weighted average number of common shares outstanding (in thousand shares) in the computation of loss per share were as follows:

Net loss for the period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Loss for the period attributable to owners of the parent	$ (935,206)	$ (767,042)	$ (826,368)	$ (1,233,947)
Effect of dilutive potential common share:				
Interest on convertible bonds (after tax)	-	-	-	-
Loss used in the computation of diluted loss per share	$ (935,206)	$ (767,042)	$ (826,368)	$ (1,233,947)

Weighted average number of common shares outstanding (in thousand shares):

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Weighted average number of common shares used in the computation of basic loss per share	973,167	852,664	914,266	852,664
Effect of dilutive potential common shares:				
Convertible bonds	-	-	-	-
Restricted share options of employee	-	-	-	-
Employee bonus	-	-	-	-
Employee remuneration	-	-	-	-
Employee share options	-	-	-	-
Weighted average number of common shares used in the computation of diluted loss per share	973,167	852,664	914,266	852,664

Since NSP is allowed to settle bonus or remuneration paid to employees by cash or shares, whenever applicable, NSP assumes that the entire amount of the bonus or remuneration will be settled in shares; as the effect of the resulting potential shares is dilutive, these shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share. This dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

The outstanding convertible bonds and employee share options issued by NSP were anti-dilutive and excluded from the computation of diluted loss per share.

31. SHARE-BASED PAYMENT ARRANGEMENTS

Issuance of shares reserved for employees to subscribe

On December 9, 2015, NSP's board of directors approved to increase its capital by a public offering of 160,000 thousand new common shares at a par value of $10. The issuance was approved by the FSC on January 18, 2016 and the issue date was March 9, 2016. NSP's board of directors authorized the chairman to approve a decrease in the public offering price. In addition, the application for extension of period of public offering was approved by the FSC on April 12, 2016. The proceeds of the shares issued have been fully received and the issue date was April 25, 2016.

Part of the new shares issued for cash is reserved for subscription by NSP's employees. The grant date of the 2016 issue was March 25, 2016.

NSP used the Black-Scholes model to determine the fair value of the options related to the aforementioned new shares issued during the six months ended June 30, 2016. The valuation assumptions were as follows:

	2016 Plan 1
Grant-date share price ($/Per Share)	$ 21.25
Exercise price ($/Per Share)	$ 18.00
Expected volatility	49.19%
Expected life (days)	21
Expected dividend yield	-
Risk-free interest rate	0.41%

The expected volatility was calculated using the historical rate of return based on NSP's share price.

The compensation cost of the shares for cash reserved for employees for the six months ended June 30, 2016 was $39,048 thousand.

On March 2, 2015, V5 Technology Ltd. ("V5 Technology")'s board resolved to increase its capital by public offering of 3,007 thousand new common shares. A portion of the new shares issued for cash was reserved for subscription by V5 Technology's employees and the grant date of the share issuance to employees was March 4, 2015. The subscription base date was April 30, 2015.

On January 4, 2016, V5 Technology's board resolved to increase its capital by public offering of 3,000 thousand new common shares. A portion of the new shares issued for cash was reserved for subscription by V5 Technology's employees and the grant date of the share issuance to employees was January 4, 2016. The subscription base date was January 29, 2016.

V5 Technology used the Black-Scholes model to determine the fair value of the options related to the aforementioned new shares issued. The valuation assumptions were as follows:

	2016 Plan 1	2015 Plan 1
Grant-date share price ($/Per Share)	$ 7.69	$ 12.06
Exercise price ($/Per Share)	$ 15.00	$ 15.00
Expected volatility	3.45%	34.31%
Expected life (years)	0.0685	0.1370
Expected dividend yield	-	-
Risk-free interest rate	0.21%	0.35%

V5 Technology's expected volatility was calculated using the historical rate of return based on comparable companies' historical volatility of daily return.

V5 Technology's compensation cost of the shares for cash reserved for employees for the six months ended June 30, 2016 and 2015 was both zero.

Employee share option plan

a. Information on employee share options issued by NSP was as follows:

No share options were granted in the six months ended June 30, 2016 and 2015. Other information on the share option plan was as follows:

	2006 Plan		2005 Plan	
	Number of Options (In Thousands)	**Average Exercise Price ($/Per Share)**	**Number of Options (In Thousands)**	**Average Exercise Price ($/Per Share)**
For the six months ended June 30, 2015				
Beginning balance	100	$ 10.00	175	$ 10.00
Options exercised	-	-	-	-
Ending balance	100	10.00	175	10.00
Options exercisable, end of period	100	10.00	175	10.00

The above employee share options had been completely exercised before the end of 2015.

At the end of the reporting period, the information about the outstanding share options is as follows:

June 30, 2015	
Exercise Price ($/Per Share)	**Weighted Average Remaining Contractual Life (In Years)**
$10.00	0.50
10.00	1.08

b. Information on employee share options replaced from DelSolar's employee share options (the "replaced ESOs") was as follows:

	Plan 4 in 2009		Plan 5 in 2009	
	Number of Options (In Thousands)	**Weighted Average Exercise Price ($/Per Share)**	**Number of Options (In Thousands)**	**Weighted Average Exercise Price ($/Per Share)**
For the six months ended June 30, 2015				
Beginning balance	325	$ 46.50	188	$ 49.90
Options canceled	(66)	46.50	(59)	49.90
Ending balance	259	46.50	129	49.90
Options exercisable, end of period	259	46.50	129	49.90

(Continued)

	Plan 4 in 2009		Plan 5 in 2009	
	Number of Options (In Thousands)	Weighted Average Exercise Price ($/Per Share)	Number of Options (In Thousands)	Weighted Average Exercise Price ($/Per Share)
For the six months ended June 30, 2016				
Beginning balance	170	$ 46.50	104	$ 49.90
Options canceled	(13)	42.00	(11)	44.90
Ending balance	157	42.00	93	44.90
Options exercisable, end of period	157	42.00	93	44.90

(Concluded)

	Plan 6 in 2010		Plan 7 in 2010	
	Number of Options (In Thousands)	Weighted Average Exercise Price ($/Per Share)	Number of Options (In Thousands)	Weighted Average Exercise Price ($/Per Share)
For the six months ended June 30, 2015				
Beginning balance	120	$ 58.20	526	$ 70.10
Options canceled	(23)	58.20	(183)	70.10
Ending balance	97	58.20	343	70.10
Options exercisable, end of period	97	58.20	257	70.10
For the six months ended June 30, 2016				
Beginning balance	37	$ 58.20	240	$ 70.10
Options canceled	(11)	51.90	(6)	61.90
Ending balance	26	51.90	234	61.90
Options exercisable, end of period	26	51.90	234	61.90

As of balance sheet date, the information about the succeeded employee stock options due to business combination was as follows:

June 30, 2016		December 31, 2015		June 30, 2015	
Exercise Price ($/Per Share)	Weighted Average Remaining Contractual Life (In Years)	Exercise Price ($/Per Share)	Weighted Average Remaining Contractual Life (In Years)	Exercise Price ($/Per Share)	Weighted Average Remaining Contractual Life (In Years)
$ 42.00	0.12	$ 46.50	0.62	$ 46.50	1.12
44.90	0.32	49.90	0.82	49.90	1.32
51.90	0.81	58.20	1.31	58.20	1.81
61.90	1.30	70.10	1.80	70.10	2.30

c. Employee share option plan of V5 Technology:

Qualified employees of V5 Technology were granted option units numbering 20 thousand and 27 thousand in February 2016 according to employee share option plan of 2014 and of 2015, respectively. Qualified employees of V5 Technology were granted option units numbering 173 thousand and 80 thousand in May 2015 and November 2014, respectively. Each option entitles the holder to subscribe for one common share of V5 Technology. The options granted are both valid for 5 years and exercisable at certain percentages after the first anniversary from the grant date. The options were granted at an exercise price equal to the closing price of the V5 Technology's common shares on the grant date. For any subsequent changes in the V5 Technology's common shares, the exercise price is adjusted accordingly.

Information on employee share options was as follows:

	Employee Share Option Plan of 2015			
	For the Six Months ended June 30			
	2016		**2015**	
	Number of Options (In Thousands)	**Weighted-average Exercise Price (NT$)**	**Number of Options (In Thousands)**	**Weighted-average Exercise Price (NT$)**
Employee share options				
Beginning balance	153	$ 11.50	-	$ -
Options granted	27	12.70	173	11.50
Options canceled	(6)	12.70	-	-
Ending balance	174	12.70	173	11.50
Options exercisable, end of period	44	12.70	-	-

	Employee Share Option Plan of 2014			
	For the Six Months ended June 30			
	2016		**2015**	
	Number of Options (In Thousands)	**Weighted-average Exercise Price (NT$)**	**Number of Options (In Thousands)**	**Weighted-average Exercise Price (NT$)**
Employee share options				
Beginning balance	67	$ 11.50	80	$ 24.00
Options granted	20	12.70	-	-
Ending balance	87	12.70	80	11.50
Options exercisable, end of period	20	12.70	-	-

Information about outstanding options as of balance sheet date was as follows:

June 30, 2016		December 31, 2015		June 30, 2015	
Exercise Price ($/Per Share)	**Weighted Average Remaining Contractual Life (In Years)**	**Exercise Price ($/Per Share)**	**Weighted Average Remaining Contractual Life (In Years)**	**Exercise Price ($/Per Share)**	**Weighted Average Remaining Contractual Life (In Years)**
$ 12.70	2.77	$ 11.50	2.73	$ 11.50	3.23
12.70	3.94	11.50	4.33	11.50	4.83

V5 Technology Ltd. used the Black-Scholes model to determine the fair value of the options related to the aforementioned stock option issued. The valuation assumptions were as follows:

	Employee Share Option Plan of 2014 and 2015	Employee Share Option Plan of 2015
	For the Six Months ended June 30, 2016	**For the Six Months ended June 30, 2015**
Grant-date share price ($/Per Share)	$ 7.69	$ 8.25
Exercise price ($/Per Share)	$ 12.70	$ 11.50
Expected volatility	3.45%	37.74%
Expected life (years)	3.25	3.25
Expected dividend yield	-	-
Risk-free interest rate	0.21%	0.781%

V5 Technology's expected volatility was calculated using the historical rate of return based on comparable companies' historical volatility of daily return.

Restricted share plan for employees

No share options were granted in the six months ended June 30, 2016 and 2015.

Information on issued employee restricted shares was as follows:

	Shares（In Thousands）	
	For the Six Months Ended June 30	
	2016	**2015**
Beginning balance	2,796	3,613
Canceled	(382)	(291)
Ending balance	2,414	3,322

32. BUSINESS COMBINATIONS

a. Subsidiaries acquired

	Principal Activity	Date of Acquisition	Percentage of Voting Equity Interests Acquired (%)	Consideration Transferred
NCH Solar 1	Solar-related business	May 19, 2015	100	$ 12,121

NCH Solar 1 was acquired to effectively integrate the Corporation's overall resources, expand operating scale, enhance operating performance and boost competitiveness.

b. Considerations transferred

	NCH Solar 1
Cash	$ 12,121

c. Assets acquired and liabilities assumed at the date of acquisition (at fair value)

	NCH Solar 1
Current assets	$ 43,643
Property, plant and equipment	120,718
Financial lease receivables	312,694
Current liabilities	(455,050)
	$ 22,005

The tax base of NCH Solar 1's assets acquired was reset on the basis of market values of the assets. At the date of finalization of these consolidated financial statements, the necessary market valuations and other calculations had been finalized.

d. Gain from bargain purchase recognized on acquisition

	NCH Solar 1
Consideration transferred	$ 12,121
Plus: Fair value of the acquirer's previously held equity interest	8,802
Less: Fair value of identifiable net assets acquired	(22,005)
Gain from bargain purchase recognized on acquisition	$ (1,082)

e. Net cash outflow on the acquisition of subsidiaries

	NCH Solar 1
Consideration paid in cash during the period	$ 12,121
Less: Cash balances acquired	(2,807)
	$ 9,314

f. Impact of acquisition on the results of the Corporation.

The following results of the acquiree since the acquisition date were included in the consolidated statements of comprehensive income:

	From May 20 to June 30, 2015
Revenue	
NCH Solar 1	$ 6,468
Profit (loss)	
NCH Solar 1	$ 5,977

Had the business combination of NCH Solar 1 been in effect at the beginning of the annual reporting period, the Corporation's revenue would have been $9,628,227 thousand, and the loss would have been $1,285,959 thousand for the six months ended June 30, 2015. This pro-forma information is for illustrative purpose only and is not necessarily an indication of revenue and results of operations of the Corporation that would actually have been achieved had the acquisition been completed on January 1, 2015, nor is it intended to be a projection of future results.

In determining the Corporation's pro-forma revenue and loss had NCH Solar 1 been acquired at the beginning of the reporting period, the management performed the following:

1) Calculated the depreciation of plant and equipment acquired on the basis of the fair values determined at the initial accounting for the business combination rather than the carrying amounts recognized in the pre-acquisition financial statements; and

2) Calculated borrowing costs on the funding levels, credit ratings and debt/equity position of the Corporation after the business combination.

33. EQUITY TRANSACTIONS WITH NONCONTROLLING INTERESTS

On January 16, 2015, General Energy Solutions (GES) issued shares for cash and NSP acquired 32,254 thousand GES shares for $483,805 thousand. NSP's equity interests in GES decreased from 76.54% to 75.80%. NSP's equity interests in GES increased from 75.80% to 75.83% because NSP acquired shares from GES's resigned employees and noncontrolling shareholder. On April 30, 2015, V5 Technology Ltd. (V5 Technology) issued shares for cash, and NSP acquired 1,770 thousand V5 Technology shares for $26,546 thousand. NSP's equity interests in V5 Technology decreased from 60% to 59.43%. As of June 30, 2015, NSP's capital surplus increased by a total of $315 thousand because of recorded changes in its equity in the investee's net assets.

On January 29, 2016, V5 Technology Ltd. (V5 Technology) issued shares for cash and NSP acquired 1,831 thousand V5 Technology shares for $27,461 thousand. The acquisition of V5 Technology at a percentage different from the earlier ownership percentage reduced NSP's equity interests in V5 Technology from 61.33% to 61.23%. As of June 30, 2016, NSP's capital surplus increased by a total of $54 thousand because of recorded changes in its equity in the investee's net assets.

The above transactions were accounted for as equity transactions since the Corporation did not cease to have control over the subsidiary.

	GES and V5 Technology For the Six Months Ended June 30	
	2016	2015
Cash consideration received	$ 17,539	$ 193,985
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to noncontrolling interests	(17,485)	(193,670)
Differences arising from equity transaction	$ 54	$ 315
Line items adjusted for equity transaction		
Capital surplus - difference between consideration and carrying amounts adjusted for changes in percentage of ownership in subsidiaries	$ 54	$ 315

34. OPERATING LEASE ARRANGEMENTS

The future minimum lease payments for operating lease commitments are as follows:

	June 30, 2016	December 31, 2015	June 30, 2015
Up to 1 year	$ 61,135	$ 89,490	$ 63,775
Over 1 year and up to 5 years	139,521	144,103	134,947
Over 5 years	270,540	284,327	255,789
	$ 471,196	$ 517,920	$ 454,511

The lease payments recognized as expenses were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Minimum lease payment	$ 33,405	$ 28,299	$ 79,492	$ 55,371

35. CAPITAL MANAGEMENT

The Corporation manages its capital to ensure that entities in the Corporation will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

Key management personnel of the Corporation review the capital structure periodically. For this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. On the basis of the recommendations of the key management personnel on balancing the overall capital structure, the Corporation may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed.

36. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

1) Fair value of financial instruments that are not measured at fair value

Except as detailed in the following table, management believes that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements either approximate their fair values or their fair values cannot be reliably measured.

	June 30, 2016		December 31, 2015		June 30, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets						
Finance lease receivables (including current and noncurrent portion)	$ 1,765,659	$ 1,765,356	$ 2,005,735	$ 2,005,735	$ 1,595,796	$ 1,596,292
Financial liabilities						
Financial liabilities measured at amortized cost						
Bonds payable	3,719,704	3,744,330	3,678,276	3,688,177	3,637,314	3,609,557

2) Fair value hierarchy

June 30, 2016

	Level 1	Level 2	Level 3	Total
Financial assets				
Finance lease receivables (including current and noncurrent portion)	$ -	$ -	$ 1,765,356	$ 1,765,356
Financial liabilities				
Financial liabilities measured at amortized cost				
Bonds payable	$ -	$ -	$ 3,744,330	$ 3,744,330

December 31, 2015

	Level 1	Level 2	Level 3	Total
Financial assets				
Finance lease receivables (including current and noncurrent portion)	$ -	$ -	$ 2,005,735	$ 2,005,735
Financial liabilities				
Financial liabilities measured at amortized cost				
Bonds payable	$ -	$ -	$ 3,688,177	$ 3,688,177

June 30, 2015

	Level 1	Level 2	Level 3	Total
Financial assets				
Finance lease receivables (including current and noncurrent portion)	$ -	$ -	$ 1,596,292	$ 1,596,292
Financial liabilities				
Financial liabilities measured at amortized cost				
Bonds payable	$ -	$ -	$ 3,609,557	$ 3,609,557

The fair value of finance lease receivables was estimated on the basis of interest rate of the sales with buyback agreements with similar terms.

The fair value of the liability component of convertible bonds was determined assuming redemptions on October 1, 2016 and July 18, 2017 and using interest rates based on loans with similar terms.

b. Fair value of financial instruments carried at fair value

1) Fair value hierarchy

June 30, 2016

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Securities listed in ROC				
Equity securities	$ 5,367	$ 95,830	$ -	$ 101,197
Financial assets at fair value through profit or loss				
Foreign exchange forward contracts	$ -	$ 6,814	$ -	$ 6,814
Financial liabilities at fair value through profit or loss				
Foreign exchange forward contracts	$ -	$ 20,361	$ -	$ 20,361

December 31, 2015

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Securities listed in ROC				
Equity securities	$ 5,923	$ 103,950	$ -	$ 109,873
Financial assets at fair value through profit or loss				
Foreign exchange forward contracts	$ -	$ 29	$ -	$ 29

(Continued)

	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss				
Foreign exchange forward contracts	$ -	$ 5,968	$ -	$ 5,968
Interest swap contracts	-	134	-	134
	$ -	$ 6,102	$ -	$ 6,102

(Concluded)

June 30, 2015

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Securities listed in ROC				
Equity securities	$ 6,785	$ 119,840	$ -	$ 126,625
Financial assets at fair value through profit or loss				
Foreign exchange forward contracts	$ -	$ 4,673	$ -	$ 4,673
Financial liabilities at fair value through profit or loss				
Interest swap contracts	$ -	$ 58	$ -	$ 58

There were no transfers between Level 1 and Level 2 for the six months ended June 30, 2016 and 2015.

2) Valuation techniques and inputs applied for the purpose of measuring Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign exchange forward contracts, interest swap contracts	Discounted cash flow. Future cash flows are estimated based on observable forward exchange rates or interest rates at the end of the reporting period and contract forward rates or interest rates, discounted at a rate that reflects the credit risk of various counterparties.
Securities listed in the ROC	The Corporation's investments in available-for-sale financial assets, which included private-placement shares, have quoted prices in an active market but cannot be traded during a lock-up period; their fair values were determined using market prices.

c. Categories of financial instruments

	June 30, 2016	December 31, 2015	June 30, 2015
Financial assets			
Fair value through profit or loss (FVTPL)			
Held for trading	$ 6,814	$ 29	$ 4,673
Loans and receivables (Note 1)	17,008,830	16,476,450	15,139,005
Available-for-sale financial assets (Note 2)	155,792	164,484	193,592
Financial liabilities			
Fair value through profit or loss (FVTPL)			
Held for trading	20,361	6,102	58
Measured at amortized cost (Note 3)	16,603,095	17,199,684	14,106,190

Note 1: The loans and receivables included cash and cash equivalents, notes and accounts receivable, installment accounts receivable, pledged time deposits, restricted assets, other receivables, and debt investment with no active market etc. and were carried at amortized cost.

Note 2: The amounts included available-for-sale financial assets carried at cost.

Note 3: The financial liabilities included short-term loans, short-term bill payable, notes payable and accounts payable, other payable, long-term loans, bonds payable, and preference share liabilities, etc. and were carried at amortized cost.

d. Financial risk management objectives and policies

The Corporation's major financial instruments included equity, accounts receivable, accounts payable, bonds payable and borrowings. The Corporation's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Corporation through internal risk reports, which are tools for analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Corporation seeks to minimize the effects of these risks by using derivative financial instruments to hedge against risk exposures. The use of financial derivatives is governed by the Corporation's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and nonderivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors continually. The Corporation does not enter into financial instrument contracts or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function reports quarterly to the Corporation's board of directors and Audit Committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

1) Market risk

The Corporation's activities exposed it primarily to the financial risks of exchange rate changes (see a) below) and interest rates (see b) below). The Corporation used a variety of derivative financial instruments to manage its exposure to foreign currency and interest rate risks.

There had been no change in the Corporation's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Corporation had foreign currency-denominated sales and purchases, which exposed the Corporation to exchange rate risk. The Corporation entered into foreign exchange forward contracts and cross-currency swap contracts, etc. to manage exposures due to exchange rate and interest rate fluctuations. These instruments help to reduce, but do not eliminate, the impact of adverse exchange rate movements.

The Corporation also holds short-term bank loans in foreign currencies in proportion to its expected future cash flows. This allows foreign-currency-denominated bank loans to be serviced with expected future cash flows and provides a partial hedge against transaction translation exposure.

Sensitivity analysis

The Corporation was mainly exposed to U.S. dollar and JPY.

The following table details the Corporation's sensitivity to a 5% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currency. The sensitivity analysis included only outstanding foreign currency-denominated monetary items; their translation at the end of the reporting period is adjusted for a 5% change in exchange rates. The sensitivity analysis included cash, accounts receivable, other receivables, short-term bank loans, accounts payable, other payables and long-term bank loans. When foreign assets exceed foreign liabilities, a positive number below indicates an increase in profit before tax associated with the New Taiwan dollar's strengthening 5% against a foreign currency. When New Taiwan dollar weakened by 5% against a foreign currency, there would be an equal and opposite impact on profit before tax and the balances below would be negative.

	U.S. Dollar Impact			
	For the Three Months Ended June 30		**For the Six Months Ended June 30**	
	2016	**2015**	**2016**	**2015**
Profit or loss	$ (7,474)	$ 2,564	$ 18,536	$ (347)

	JPY Impact			
	For the Three Months Ended June 30		**For the Six Months Ended June 30**	
	2016	**2015**	**2016**	**2015**
Profit or loss	$ 1,425	$ (1,837)	$ 8,104	$ 3,548

The Corporation's sensitivity to USD exchange rates increased in the current period mainly because of the increase in assets recorded in U.S. dollars. The Corporation's sensitivity to JPY exchange rates increased in the current period mainly because of the increase in assets recorded in JPY.

b) Interest rate risk

Long-term and short-term bank loans mainly bear floating interest rates. Thus, the fluctuations of market interest rates will result in changes in the effective interest rates for long-term and short-term bank loans and the fluctuation of future cash flows.

The carrying amounts of the Corporation's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows.

	June 30, 2016	**December 31, 2015**	**June 30, 2015**
Fair value interest rate risk			
Financial assets	$ 3,243,922	$ 1,672,662	$ 2,401,220
Financial liabilities	(7,028,415)	(7,444,497)	(6,745,784)
Cash flow interest rate risk			
Financial assets	7,812,376	8,296,572	7,277,887
Financial liabilities	(6,770,974)	(6,370,548)	(4,191,338)

Sensitivity analysis

The sensitivity analysis below was based on the Corporation's exposure to interest rates for both derivative and nonderivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of the asset and liability outstanding at the end of the reporting period was outstanding for the whole year.

Had interest rates been 1% higher and all other variables been held constant, the Corporation's net profit for the six months ended June 30, 2016 and 2015 would have increased by $5,207 thousand and $15,432 thousand, respectively, mainly because of the Corporation's exposure to interest rates on its variable-rate demand deposits and bank borrowings.

The Corporation's sensitivity to interest rates decreased during the current period mainly because of the increase in variable-rate debt instruments.

c) Other price risk

The Corporation is exposed to equity price risk on available-for-sale financial assets, which are not held for trading.

Sensitivity analysis

The sensitivity analysis below was based on the exposure to equity price risks at the end of the reporting period.

Had equity prices been 5% lower, the other comprehensive income for the six months ended June 30, 2016 and 2015 would have decreased by $5,060 thousand and $6,331 thousand, respectively, as a result of the changes in fair value of available-for-sale investments.

The Corporation's sensitivity to price decreased in the current period mainly because of the decrease in available-for-sale financial assets.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Corporation. As at the end of the reporting period, the Corporation's maximum exposure to credit risk, which will cause a financial loss to the Corporation due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Corporation, could arise from:

a) The carrying amounts of the consolidated financial assets recognized in the balance sheets; and

b) The amount of contingent liabilities on financial guarantees issued by the Corporation.

To minimize credit risk, the Corporation's management has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Corporation reviews the recoverable amount of each accounts receivable at the end of the reporting period to ensure that adequate allowance is set aside for irrecoverable amounts. Thus, the Corporation's Management considers the Corporation's credit risk as significantly reduced.

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Accounts receivable pertained to a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts customers and, where appropriate, credit guarantee insurance is purchased.

The Corporation did not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The Corporation's concentrations of credit risk of 28%, 25% and 33% of total accounts receivable as of June 30, 2016, December 31, 2015 and June 30, 2015, respectively, were related to the Corporation's three largest customers.

3) Liquidity risk

The Corporation manages liquidity risk by monitoring and maintaining a level of cash deemed adequate to finance the Corporation's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the use of bank loans and ensures compliance with loan covenants. The Corporation relies on bank loans as a significant source of liquidity.

a) Liquidity and interest rate risk tables (nonderivative financial liabilities)

The following tables show the Corporation's remaining contractual maturity for its nonderivative financial liabilities with agreed-upon repayment periods. The tables had been drawn up on the basis of undiscounted cash flows of financial liabilities from the earliest date on which the Corporation can be required to pay. The tables included both interest and principal cash flows.

Bank loans with a repayment on demand clause were included in the first column of the table below regardless of the probability of the banks choosing to exercise their rights to repayment. The maturity dates for other nonderivative financial liabilities were based on the agreed-upon repayment dates.

To the extent that interest flows refer to floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

June 30, 2016

Nonderivative financial liabilities	On Demand or Up to 1 Month	Over 1 Month to 3 Months	Over 3 Months to 1 Year	1+ Years
Non-interest bearing	$ 1,299,182	$ 1,189,227	$ 470,395	$ 3,564,606
Variable interest rate liabilities	417,353	1,977,428	1,520,530	2,977,306
Fixed interest rate liabilities	968,574	1,849,969	51,595	493,500
	$ 2,685,109	$ 5,016,624	$ 2,042,520	$ 7,035,412

December 31, 2015

Nonderivative financial liabilities	On Demand or Up to 1 Month	Over 1 Month to 3 Months	Over 3 Months to 1 Year	1+ Years
Non-interest bearing	$ 1,469,088	$ 1,225,856	$ 776,576	$ 3,591,395
Variable interest rate liabilities	11,076	774,296	4,082,064	1,611,700
Fixed interest rate liabilities	483,494	1,538,787	1,321,012	493,500
	$ 1,963,658	$ 3,538,939	$ 6,179,652	$ 5,696,595

June 30, 2015

Nonderivative financial liabilities	On Demand or Up to 1 Month	Over 1 Month to 3 Months	Over 3 Months to 1 Year	1+ Years
Non-interest bearing	$ 1,625,546	$ 938,812	$ 583,310	$ 3,658,714
Variable interest rate liabilities	349,015	465,499	1,772,344	1,697,806
Fixed interest rate liabilities	547,820	1,478,053	648,886	493,500
	$ 2,522,381	$ 2,882,364	$ 3,004,540	$ 5,850,020

As of June 30, 2016, December 31, 2015 and June 30, 2015, the Corporation believes there was no bank loan on which immediate repayment will be demanded.

The amounts included above for variable interest rate instruments of nonderivative financial assets and liabilities were subject to change if changes in variable interest rates differed from the interest rates estimated at the end of the reporting period.

b) Liquidity and interest rate risk tables for derivative financial liabilities

The following tables show the Corporation's liquidity analysis for its derivative financial instruments. The tables were based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis.

June 30, 2016

	On Demand or Up to 1 Month	Over 1 Month to 3 Months	Over 3 Months to 1 Year	1+ Years
Net settled				
Foreign exchange forward contracts	$ 1,069	$ 19,292	$ -	$ -

December 31, 2015

	On Demand or Up to 1 Month	Over 1 Month to 3 Months	Over 3 Months to 1 Year	1+ Years
Net settled				
Interest rate swaps	$ -	$ -	$ -	$ 134
Foreign exchange forward contracts	166	5,802	-	-
	$ 166	$ 5,802	$ -	$ 134

June 30, 2015

	On Demand or Up to 1 Month	Over 1 Month to 3 Months	Over 3 Months to 1 Year	1+ Years
Net settled				
Interest rate swaps	$ -	$ -	$ -	$ 58

c) Financing facilities

	June 30, 2016	December 31, 2015	June 30, 2015
Secured long-term bank loan facilities (installment credit):			
Amount used	$ 5,845,192	$ 7,547,967	$ 9,308,246
Amount unused	792,282	1,610,700	189,300
	$ 6,637,474	$ 9,158,667	$ 9,497,546
Unsecured long-term bank loan facilities (revolving credit):			
Amount used	$ 782,760	$ 1,000,000	$ 3,494,448
Amount unused	17,240	800,000	-
	$ 800,000	$ 1,800,000	$ 3,494,448
Unsecured long-term bank loan facilities (installment credit):			
Amount used	$ 120,000	$ 195,000	$ -
Amount unused	480,000	-	-
	$ 600,000	$ 195,000	$ -
Secured short-term bank loan facilities (which may be extended by mutual agreement):			
Amount used	$ -	$ 108,940	$ 233,558
Amount unused	-	271,935	233,747
	$ -	$ 380,875	$ 467,305
Secured short-term bank loan facilities (cannot be extended):			
Amount used	$ 589,848	$ 589,848	$ 589,848
Amount unused	-	-	-
	$ 589,848	$ 589,848	$ 589,848
Unsecured short-term bank loan facilities (revolving credit):			
Amount used	$ 5,548,577	$ 5,607,619	$ 3,738,885
Amount unused	7,307,461	6,868,372	7,556,505
	$ 12,856,038	$ 12,475,991	$ 11,295,390
Unsecured short-term bank loan facilities (installment credit):			
Amount used	$ 1,339,052	$ 1,613,606	$ 384,723
Amount unused	265,134	-	-
	$ 1,604,186	$ 1,613,606	$ 384,723

37. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between NSP and its subsidiaries (NSP's related parties) had been eliminated on consolidation and are not disclosed in this note. In addition to those disclosed in other notes, transactions between the Corporation and its related parties are disclosed below.

a. Trading transactions

	Sale of Goods			
	For the Three Months Ended June 30		For the Six Months Ended June 30	
Related Party Category	**2016**	**2015**	**2016**	**2015**
Other related parties (Note 1)	$ 127,379	$ 7,502	$ 198,770	$ 50,812
Related parties in substance	161	417	273	998
Investors with significant influence on certain group entities	-	22	-	45
	$ 127,540	$ 7,941	$ 199,043	$ 51,855

	Other Income			
	For the Three Months Ended June 30		For the Six Months Ended June 30	
Related Party Category	**2016**	**2015**	**2016**	**2015**
Related parties in substance	$ 10	$ 10	$ 15	$ 10

	Purchase of goods			
	For the Three Months Ended June 30		For the Six Months Ended June 30	
Related Party Category	**2016**	**2015**	**2016**	**2015**
Investors with significant influence on certain group entities	$ 105	$ 125	$ 643	$ 499
Related parties in substance	-	71	330	314
	$ 105	$ 196	$ 973	$ 813

	Other Expenses			
	For the Three Months Ended June 30		For the Six Months Ended June 30	
Related Party Category	**2016**	**2015**	**2016**	**2015**
Investors with significant influence on certain group entities	$ 4,517	$ 242	$ 8,416	$ 858
Other related parties (Note 1)	3,920	842	8,029	1,608
	$ 8,437	$ 1,084	$ 16,445	$ 2,466

Related Party Category	Rental Expense For the Three Months Ended June 30 2016	Rental Expense For the Three Months Ended June 30 2015	Rental Expense For the Six Months Ended June 30 2016	Rental Expense For the Six Months Ended June 30 2015
Other related parties (Note 1)	$ 8,840	$ 11,241	$ 17,950	$ 22,663

Related Party Category	Utilities For the Three Months Ended June 30 2016	Utilities For the Three Months Ended June 30 2015	Utilities For the Six Months Ended June 30 2016	Utilities For the Six Months Ended June 30 2015
Other related parties (Note 1)	$ 17,800	$ 27,332	$ 44,298	$ 56,057

Purchases and sales of goods between the Corporation and related parties were made based on specifically negotiated term.

The Corporation rents plants from other related parties under rental terms not different from similar transactions in the market.

The Corporation's purchases of utilities from other related parties were made at normal commercial prices and terms.

b. The following accounts receivable from related parties were outstanding at the end of the reporting period:

Related Party Category	Accounts Receivable June 30, 2016	Accounts Receivable December 31, 2015	Accounts Receivable June 30, 2015
Other related parties (Note 1)	$ 275,898	$ 340,434	$ 7,697
Investors with significant influence on certain group entities	-	26	23
	$ 275,898	$ 340,460	$ 7,720

Related Party Category	Other Receivables June 30, 2016	Other Receivables December 31, 2015	Other Receivables June 30, 2015
Associates	$ 625,147	$ 475,550	$ 488,410
Investors with significant influence on certain group entities	-	-	9,986
Other related parties (Note 1)	11,441	549	-
	$ 636,588	$ 476,099	$ 498,396

Related Party Category	Prepayments for Equipment June 30, 2016	Prepayments for Equipment December 31, 2015	Prepayments for Equipment June 30, 2015
Other related parties (Note 1)	$ 5,073	$ 61,492	$ -

Related Party Category	Prepayments June 30, 2016	December 31, 2015	June 30, 2015
Other related parties (Note 1)	$ -	$ 3,473	$ -

Related Party Category	Refundable Deposits June 30, 2016	December 31, 2015	June 30, 2015
Other related parties (Note 1)	$ 41,577	$ 42,589	$ -

Other receivables were temporary payments of project fee that the Corporation paid for its associates and reclassified from overdue accounts receivable and interest receivable from financing provided.

Prepayments for equipment suppliers were in order to develop new projects of power facility globally, the Corporation entered into a consultancy agreement with other related parties.

The outstanding receivables from related parties were unsecured; no impairment allowance for these receivables was recognized.

c. The following trade payables to related parties were outstanding at the end of the reporting period:

Related Party Category	Accounts Payable June 30, 2016	December 31, 2015	June 30, 2015
Investors with significant influence on certain group entities	$ 597	$ 324	$ 346
Other related parties (Note 1)	62	64	64
Related parties in substance	-	169	70
Associates	-	-	80,838
	$ 659	$ 557	$ 81,318

Related Party Category	Receipts in Advance June 30, 2016	December 31, 2015	June 30, 2015
Other related parties (Note 1)	$ 12	$ 12	$ 12

Related Party Category	Payables to Contractors and Equipment Suppliers June 30, 2016	December 31, 2015	June 30, 2015
Investors with significant influence on certain group entities	$ 62,827	$ 70,235	$ 60,930
Related parties in substance	4,168	4,168	-
	$ 66,995	$ 74,403	$ 60,930

Related Party Category	Other Accrued Expenses June 30, 2016	December 31, 2015	June 30, 2015
Other related parties (Note 1)	$ 48,519	$ 77,128	$ 48,525
Investors with significant influence on certain group entities	4,968	6,455	317
	$ 53,487	$ 83,583	$ 48,842

Note 1: Other related parties were entities of the investor who has significant influence over the Corporation and the entity whose parent issued puttable preferred stocks which were acquired by the Corporation on December 18, 2015. Phanes Holding has become the Corporation's other related party since December 18, 2015; thus, the Corporation disclosed the related trading transactions from December 18, 2015 and the balances at the end of the reporting period.

No guarantees had been given or received for payables to related parties, and these payables would be settled in cash.

d. Other transactions

Related Party Category	Acquisition of Property, Plant and Equipment For the Six Months Ended June 30 2016	2015
Investors with significant influence on certain group entities	$ 15,882	$ 34,374

Related Party Category	Proceeds For the Three Months Ended June 30 2016	2015	Gain (Loss) on Disposal For the Three Months Ended June 30 2016	2015
Investors with significant influence on certain group entities	$ -	$ 9,510	$ -	$ (2,387)

Related Party Category	Proceeds For the Six Months Ended June 30 2016	2015	Gain (Loss) on Disposal For the Six Months Ended June 30 2016	2015
Investors with significant influence on certain group entities	$ -	$ 9,510	$ -	$ (2,387)

Refer to Note 41 for information relating to financing and endorsements and guarantees between the Corporation and its related parties.

e. Compensation of key management personnel

The compensation of directors and other members of key management personnel were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Short-term benefits	$ 8,873	$ 13,860	$ 36,147	$ 32,892
Share-based payments	1,393	2,937	6,730	6,887
Post-employment benefits	290	339	659	732
	$ 10,556	$ 17,136	$ 43,536	$ 40,511

The compensation of directors and other key management personnel was determined by the Compensation Committee on the basis of individual performance and market trends.

38. PLEDGED OR MORTGAGED ASSETS

The following assets had been pledged or mortgaged as collaterals mainly for long-term and short-term bank loans, bonds payable and deposit to government:

	June 30, 2016	December 31, 2015	June 30, 2015
Property, plant and equipment	$ 6,864,530	$ 7,926,059	$ 8,180,778
Finance lease receivables (including current and noncurrent portions)	1,003,531	1,107,244	956,458
Restricted assets (classified as other current and noncurrent assets)	361,365	1,272,709	548,049
Refundable deposits	310,591	342,150	109,544
Pledged time deposits (classified as other current and noncurrent assets)	236,706	213,006	213,006
Pledged bank acceptances (classified as other current assets)	-	50,744	-
Power facility construction in progress (classified as inventories)	-	-	141,326
	$ 8,776,723	$ 10,911,912	$ 10,149,161

39. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Corporation were as follows:

a. Significant commitments

1) Long-term purchase contracts:

a) In December 2006, March 2007 and September 2008, NSP entered into long-term materials supply agreements with company J. Under the agreements, NSP should make the nonrefundable payments from January 1, 2006 to December 31, 2018. In return, company J should supply an agreed-upon quantity of raw materials.

In January 2011, NSP entered into a long-term materials supply agreement with company J. Under the agreement, NSP should make payments from January 1, 2011 to December 31, 2015. In return, company J should supply an agreed-upon quantity of raw materials. The prepayment is refundable if the agreed-upon quantity is not bought.

Except for the agreement entered into in March 2007 that will expire in December 2018, all other agreements with company J had expired as of June 30, 2016. Any prepayments not yet fully applied are still applicable.

As of June 30, 2016, amount of US$7,062 thousand ($227,609 thousand) was recorded under prepayment. Earlier, in November 2009, NSP renegotiated the purchase price with company J. Both parties agreed to adjust the purchase quantity and price monthly from December 2009.

b) In August 2007 and January 2008, NSP entered into long-term materials supply agreements with company G. Under the agreements, NSP should make payments from January 1, 2009 to December 31, 2018. In return, company G should supply an agreed-upon quantity of raw materials. As of June 30, 2016, an amount of US$9,651 thousand ($319,839 thousand) was recorded under prepayment. In May 2009, NSP and company G revised the agreements. Under the new agreements, company G should supply an agreed-upon quantity of raw materials from 2009 to December 31, 2018. Within this period, deductions could be made from the prepayments, and the purchase price would be adjusted on the basis of market price. The last agreement revision by NSP and company G was in September 2013. The purchase price would be adjusted monthly in accordance with the pricing mechanism agreed upon by both parties. In November 2015, company G's parent company located in Shanghai announced that its domestic subsidiary would undergo a financial restructuring. Although company G indicated the financial restructuring would not affect its operation and will continuously supply raw materials to NSP, NSP accrued a potential loss in 2015 considering prepayment might not be collected.

c) In February 2008, DelSolar entered into a long-term materials supply agreement with company AH. Based on this supply agreement, company AH guaranteed to supply an agreed-upon quantity of raw materials to DelSolar during January 2009 to December 31, 2015, and in return DelSolar would make some prepayments by installments during this period of time. In April 2013, company AH stopped supplying materials because of its financial difficulties, and both parties entered into the negotiation process. On May 31, 2013, NSP merged with DelSolar, with NSP as the survivor entity. Considering prepayments to company AH might not be able to be fully collected, NSP had accrued a potential loss in the second quarter of 2013. In March 2015, NSP received an arbitration notice of company AH. NSP believes there are unsolved issues on the long-term materials supply agreement which will need further clarification from both parties. Therefore NSP has engaged an attorney to assist on the process and will make necessary adjustments according to the result of arbitration.

d) In March 2008 and August 2008, NSP entered into long-term materials supply agreements with company BM. Under the agreements, NSP should make payments from January 1, 2008 to December 31, 2016. In return, company BM should supply an agreed-upon quantity of raw materials. As of June 30, 2016, an amount of US$638 thousand ($20,745 thousand) was recorded under prepayment. Earlier, in August 2010, NSP renegotiated the agreement with company BM. Both parties agreed to adjust the purchase price and refund amount of prepayment in accordance with market prices from August 2010.

e) In October 2008, NSP entered into a long-term materials supply agreement with company K. Under the agreement, NSP should make payments from January 2009 to December 31, 2016. In return, company K should supply an agreed-upon quantity of raw materials. In December 2010, NSP renegotiated the agreement with company K. Both parties agreed that company K would supply NSP with an agreed-upon quantity of raw materials at its purchase price plus a markup of a certain percentage from January 2011 to December 31, 2016. As of June 30, 2016, an amount of US$16,240 thousand ($487,678 thousand) was recorded under prepayment. In the controversy of whether or not to continuously perform the above-mentioned agreement, company K has filed a lawsuit at Hsinchu District Court on January 13, 2016 to demand payment for $10,000 thousand as a partial claim. NSP retained lawyers to defend this lawsuit.

f) In August 2010 and December 2013, NSP entered into long-term materials supply agreements with company Y. Under the agreements, company Y should supply an agreed-upon quantity of raw materials from October 2010 to December 31, 2016. NSP should make payments during this period. Earlier, both parties agreed to adjust the purchase price monthly from October 2010 in accordance with a price adjustment mode agreed upon by both parties. Under the agreement, if NSP fails to complete the purchase of the required quantity or delays its payments, company Y is entitled to request compensation.

g) In November 2010, NSP entered into a long-term materials supply agreement with company X. Under the agreement, NSP should make payments from January 2011 to December 31, 2017. In return, company X should supply an agreed-upon quantity of raw materials. As of June 30, 2016, an amount of US$3,918 thousand ($113,242 thousand) was recorded under prepayment. Earlier, both parties agreed to adjust the purchase price monthly since 2012. However, in the three months ended March 31, 2012, both parties failed to reach an agreement on purchase price and quantity. Under the agreement, NSP was entitled to end the contract unconditionally, and company X should return the remaining balance of prepayment. Both parties agreed to deduct the remaining prepayment before March 31, 2013. Because company X announced it would undertake financial restructuring, NSP considered the remaining prepayments might not be collected due to company X's going concern issue; thus, NSP accrued potential losses for 2012 and 2013. NSP resumed purchase after October 2014.

h) In March 2011, NSP entered into a long-term materials supply agreement with company AD. Under the agreement, company AD should supply an agreed-upon quantity of raw materials. Based on the agreement, the purchase price will be adjusted quarterly. In return, NSP should make the payment from January 2012 to December 31, 2018. In April 2015, NSP renegotiated the agreement with company AD. Both parties agreed that company AD would supply NSP with an agreed-upon quantity of raw materials from April 2015 to December 31, 2022, and the purchase price would be negotiated quarterly. As of June 30, 2016, an amount of US$6,781 thousand ($197,134 thousand) was recorded under prepayment. Under the agreement, if NSP delays the payments, company AD is entitled to request an interest on the delayed payment at a rate already agreed on by both parties.

2) Material sell-buy agreements:

As of June 30, 2016, the Corporation entered into irrevocable sell-buy agreements with several companies.

The information was as follows:

Company Name	Buyer	Duration	Note
Yong Han	Taiwan Power Company	20 years	Sale of electricity to third parties without prior permission is disallowed
Yong Zhou	Taiwan Power Company	20 years	Sale of electricity to third parties without prior permission is disallowed
GES FUKUSHIMA	Tokyo Electric Power Company	20 years	Sale of electricity to third parties without prior permission is disallowed
Hsin Jin Optoelectronics	Taiwan Power Company	20 years	Sale of electricity to third parties without prior permission is disallowed
Hsin Jin Solar Energy	Taiwan Power Company	20 years	Sale of electricity to third parties without prior permission is disallowed
TIPPING POINT	The government of the City of Columbus, Ohio, USA	20 years	Sale of electricity to third parties without prior permission is disallowed
ET ENERGY	Indianapolis Power & Light Company, USA	15 years	Sale of electricity to third parties without prior permission is disallowed
SH4	Larkspur-Corte Madera School District, USA	20 years	Sale of electricity to third parties without prior permission is disallowed
NCH Solar 1	Good Energy Limited, UK	20 years	Sale of electricity to third parties without prior permission is disallowed
GES Solar 2	Good Energy Limited, UK	20 years	Sale of electricity to third parties without prior permission is disallowed
GES Solar 3	Good Energy Limited, UK	20 years	Sale of electricity to third parties without prior permission is disallowed
ASSET ONE	Boretech Resource Recovery Eng LLC, USA	25 years	Sale of electricity to third parties without prior permission is disallowed
Cedar Falls	Cedar Falls Utilities, USA	25 years	Sale of electricity to third parties without prior permission is disallowed
Da Li Energy	Taiwan Power Company	20 years	Sale of electricity to third parties without prior permission is disallowed

Yong Liang entered into a sell-buy agreement, which included the agreement on the sale of 26 facilities and other related agreements, with Chailease Finance Co., Ltd. (Chailease Finance) in March 2016. The sell-buy agreement specified that Yong Liang was obliged to 1) assist in the modification of other related agreements with other counterparties, which should be completed by September 30, 2016, and 2) submit guarantee deposits of $25,000 thousand to Chailease Finance on June 30, 2016 when receiving the final payment. Chailease Finance will return the guarantee deposits after all the obligations has been fulfilled or any resolution has been negotiated.

All transactions in the sale of 71 facilities of Yong Tang were completed on September 30, 2014. Because partial facilities have not obtained the registration certificate of power generation facilities and some flaws in the rental agreement need to be supplemented and corrected, the Corporation needed to submit guarantee deposits of $5,615 thousand of the construction in progress which was continuously supplemented and corrected as of June 30, 2016.

GES JAPAN entered into an equity buy-sell agreement, which included the agreement on the sale of the ownership of GES FUKUSHIMA, a power facility in Japan, and Hashimoto, with company S in June 2016. The expected proceeds to be received is JPY1,151,280 thousand, equivalent to $361,617 thousand. As of August 2, 2016, GES JAPAN has received advance payments of JPY115,128 thousand. Revenues will only be recognized on the disposal date on which inspection and acceptance are completed by company S.

3) GES developed new projects of power facility globally under the supervision of the contractors. The Corporation entered into construction contracts with several contractors with a total contract price of $2,582,312 thousand and the unpaid amount was $1,364,032 thousand as of June 30, 2016.

   BPS has obtained orders for power facility construction and contracted the projects to the contractors. BPS entered into construction contracts with the contractors with a total contract price and unpaid amount of $72,839 thousand as of June 30, 2016.

4) GES entered into equity purchase or assets purchase agreements with several companies with a total contract price of $485,656 thousand and the unpaid amount was $344,713 thousand as of June 30, 2016.

5) GES entered into solar power projects development agreements with several companies (including related parties) with a total contract price of $139,396 thousand and the unpaid amount was $62,725 thousand as of June 30, 2016.

6) Unused letters of credit amounted to approximately EUR1,205 thousand and US$5,488 thousand as of June 30, 2016.

b. Contingencies

1) In December 2010, NSP and the M+W Group (M+W) entered into a construction agreement and materials purchase agreement, with a total amount of $510,000 thousand. On April 22, 2013, M+W claimed the construction had been completed and requested for a payment of $191,165 thousand (including $49,344 thousand for additional works). On September 4, 2013, M+W requested the help of the Hsin-chu district court, a common pleas court, to request NSP to return $200,723 thousand, which included $191,165 thousand and interest calculated at 5% per year. NSP already filed a plea and counterplea on this case. The first trial is currently pending in the court and the appraiser has delivered the appraisal report to the court on January 18, 2016, waiting for further instructions.

   As of June 30, 2016, the amount of $368,179 thousand had been paid; except the $49,344 thousand for the additional works. NSP had accrued construction contract payables of $141,821 thousand accordingly.

2) In December 2013, the group led by SolarWorld AG’s United States subsidiary, Coalition for American Solar Manufacturing (CASM), has filed an antidumping complaint against Chinese solar modules in the United States Department of Commerce (DOC) and the United States International Trade Commission (ITC), alleging that Chinese solar module producers dodged duties by using cells manufactured in Taiwan.

On February 14, 2014, ITC issued its affirmative preliminary determination that the subject imports cause or threaten to cause injury to the United States industry. On July 25, 2014, DOC announced its preliminary determination of dumping margin, NSP received a cash deposit dumping margin of 19.5%. The tariffs in general are to be covered by the importer itself; hence, there will be no significant impact on the Corporation. In addition, NSP has submitted a request to the Court of International Trade to review NSP's claim that it was not engaged in any form of dumping in hope of requesting for the best tariff rate.

3) The controversy associated with payment for goods between the Corporation and company CD:

   The Corporation filed an appeal with Suzhou Intermediate People's Court on July 3, 2015 to request CEEG (Shanghai) and CEEG (Nanjing), both are CD group companies, to return RMB48,230 thousand and pleaded to the Shanghai International Economic and Trade Arbitration Commission (SHIAC) on July 2, 2015 to request CEEG (Nanjing) Renewable Energy Co. Ltd, a CD group company, to return RMB32,060 thousand. The Corporation has simultaneously applied for property preservation and recognized appropriate allowance for impairment loss and necessary adjustment will be made depending on the ruling. Suzhou Intermediate People's Court ruled in the Corporation's favor on September 23, 2015, but company CD appealed to the court of second instance on October 8, 2015.

   During the appeal, the Corporation and company CD, a CD group company, reached an agreement on December 30, 2015 after mediation. According to the agreement, CEEG (Shanghai) would propose a specific payment schedule with expected repayment of RMB48,230 thousand and CEEG (Nanjing) assumed joint liability. The Corporation prevailed in the proceeding and was awarded RMB32,060 thousand in damages from CEEG (Nanjing) Renewable Energy Co., Ltd. on February 2, 2016. The Corporation has reached a payment schedule agreement with CEEG (Nanjing).

   CD Group did not make payment according to the terms of the above payment schedule; hence, the Corporation has entrusted a law firm to apply for compulsory enforcement of the award. At the end of June 2016, some portion of CD Group's cash was successfully seized through the court enforcement and wired to the Corporation. The law firm along with the court continuously conduct subsequent investigations on CD Group's assets.

4) In the controversy of whether or not to continuously perform the long-term materials supply agreement, company K has filed a lawsuit at Hsinchu District Court on January 13, 2016 to demand payment of $10,000 thousand partial claim. NSP entrusted a lawyer to handle the case during the judicial procedure.

5) In March 2015, NSP received a notice of arbitration initiated by the controversy that resulted from the long-term materials supply agreement, which was signed in February 2008 between DelSolar and company AH. NSP believed that there were unsolved issues on the long-term materials supply agreement which will need further clarification from both parties. Therefore NSP engaged an attorney to assist on the process and will make necessary adjustments according to the result of arbitration.

6) G ENERGY CO., LTD. (G ENERGY) purchased module from NSP and defaulted on the payment of $71,304 thousand. The Corporation has filed a petition to Kaohsiung district court for an order of provisional attachment of the claims on G ENERGY's assets and has also applied for compulsory enforcement. The responsible person of G ENERGY had signed a promissory note for $9,548 thousand to secure the abovementioned defaulted payment. Therefore, the Corporation has filed a petition for compulsory enforcement of the promissory note and also accrued losses on account receivables from G ENERGY in full.

7) Company CE has requested for arbitration of the controversy between company CE and its third-party vendor company G at the Hong Kong International Arbitration Centre, where its arbitral awards are enforced and recognized by ROC courts. With respect to the enforcement of such arbitral awards, company CE requested for the issuance of an order for attachment and an order for transfer of the Corporation's debentures of payments of goods. The Corporation disagreed with the demand of company CE; therefore, company CE advocated that the Corporation should pay a total of $60,480 thousand and interest payable accrued at 5% per annum. As company CE has applied for the implementation of debt restructuring in mainland China with its third party vendor company G, the Corporation instructed legal counsels to answer the charges subsequently.

8) The dispute over the buy-sell agreement between DelSolar Wu Jiang and company JE has been admitted by Shanghai Jiading People's Court on July 25, 2016, and the court session is scheduled on September 7, 2016. The total amount involved was RMB5,947 thousand, which was composed of return of advance payments of RMB5,406 thousand, penalty of RMB500 thousand, and interest loss of RMB41 thousand accrued as of the court filing date. A civil ruling has been issued by the receiving court to freeze company JE's bank accounts and is in the process of enforcement.

40. EXCHANGE RATE INFORMATION OF FOREIGN-CURRENCY FINANCIAL ASSETS AND LIABILITIES

The following information was aggregated by the foreign currencies other than functional currencies of the Corporation and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

	June 30, 2016		December 31, 2015		June 30, 2015	
	Foreign Currencies (In Thousands)	Exchange Rate (Note 1)	Foreign Currencies (In Thousands)	Exchange Rate (Note 1)	Foreign Currencies (In Thousands)	Exchange Rate (Note 1)
Financial assets						
Monetary assets						
USD	$ 184,682	32.2860	$ 179,781	33.0660	$ 184,068	30.8610
USD (Note 2)	8,885	6.6475	11,101	6.4950	399	6.2025
EUR	12,576	35.8350	17,457	35.8230	5,381	34.4157
EUR (Note 2)	102	7.3782	119	7.0876	1	6.9153
JPY	512,508	0.3141	316,927	0.2737	432,065	0.2527
JPY (Note 2)	12,878	0.0647	820	0.0539	7,889	0.0508
RMB	87,032	4.8569	6,676	5.0744	5,498	4.9753
GBP	1,858	43.4870	1,755	48.9019	3,302	48.5381
HKD	1	4.1589	1	4.2521	-	-
Nonmonetary assets						
USD	9,500	32.2860	9,500	32.6424	1,151	30.8610
JPY	-	-	-	-	114,911	0.2527
USD	42	29.9100	42	29.9100	42	29.9100
EUR	600	37.6500	600	37.6500	600	37.6500
Financial liabilities						
Monetary liabilities						
USD	171,590	32.2860	157,529	33.0660	159,109	30.8610
USD (Note 2)	8,965	6.6475	13,391	6.4950	24,052	6.2025
USD (Note 3)	1,529	67.5864	1,529	66.2000	1,529	63.7729
EUR	5,519	35.8350	8,246	35.8230	3,597	34.4157
EUR (Note 2)	279	7.3782	210	7.0876	265	6.9153
JPY	4,507	0.3141	85,580	0.2737	101,477	0.2527
JPY (Note 2)	4,869	0.0647	3,672	0.0539	57,696	0.0508
GBP	3,086	43.4870	3,355	48.9019	3,006	48.5381
RMB	131	4.8569	44	5.0744	-	-

Note 1: Exchange rates between foreign currencies and New Taiwan Dollars, except specified.

Note 2: Exchange rates between foreign currencies and RMB.

Note 3: Exchange rates between foreign currencies and INR.

For the three months ended June 30, 2016 and 2015 and for the six months ended June 30, 2016 and 2015, realized and unrealized foreign exchange gains (losses) were $97,508 thousand, $17,401 thousand, $143,751 thousand and $(41,890) thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions of the group entities.

41. SEPARATELY DISCLOSED ITEMS

Following are the additional disclosures required by the Securities and Futures Bureau for the Corporation:

a. Financings provided: Table 1 (attached)

b. Endorsements/guarantees provided: Table 2 (attached)

c. Marketable securities held (which does not include invested subsidiaries, associates, and joint ventures): Table 3 (attached)

d. Marketable securities acquired and disposed of at costs or prices of at least $300 million or 20% of the paid-in capital: None.

e. Acquisition of individual real estate at costs of at least $300 million or 20% of the paid-in capital: None.

f. Disposal of individual real estate at prices of at least $300 million or 20% of the paid-in capital: None.

g. Total purchases from or sales to related parties of at least $100 million or 20% of the paid-in capital: Table 4 (attached)

h. Receivables from related parties amounting to at least $100 million or 20% of the paid-in capital: Table 5 (attached)

i. Trading in derivative instruments: Please see Note 7.

j. Names, locations, and related information of investees over which the Corporation exercises significant influence: Table 6 (attached)

k. Investments in Mainland China:

   1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gains, and limit on the amount of investment in the mainland China area: Table 7 (attached)

   2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Tables 4 and 8 (attached)

l. Intercompany relationships and significant intercompany transaction: Table 8 (attached)

42. OPERATING SEGMENT INFORMATION

Financial information reported to the Corporation's chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on revenue from each type of products. The accounting policies of the reportable segments are the same as the Corporation's accounting policies. The Corporation's main reportable segments are solar cell, module and power facility.

a. Segment revenue and results

	Segment Revenue			
	For the Three Months Ended June 30			
	2016		2015	
	From External Customer	Inter-segment Sales	From External Customer	Inter-segment Sales
Solar cell	$ 3,227,385	$ 230,144	$ 4,112,072	$ 575,520
Module	1,197,293	283,287	735,469	101,821
Power facility	85,349	-	138,635	-
Others	(6,134)	157,131	1,286	692
Total from continuing operations	$ 4,503,893	$ 670,562	$ 4,987,462	$ 678,033

	Segment Revenue			
	For the Six Months Ended June 30			
	2016		2015	
	From External Customer	Inter-segment Sales	From External Customer	Inter-segment Sales
Solar cell	$ 7,273,390	$ 488,740	$ 7,763,744	$ 1,059,124
Module	2,582,994	323,686	1,397,599	141,434
Power facility	476,855	-	367,638	-
Others	74,562	159,409	88,816	2,752
Total from continuing operations	$ 10,407,801	$ 971,835	$ 9,617,797	$ 1,203,310

	Segment Profit or Loss			
	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Solar cell	$ (327,670)	$ (188,313)	$ 84,134	$ (226,506)
Module	21,205	(42,925)	82,876	(154,998)
Power facility	(59,279)	70,802	164,029	111,920
Others	(21,272)	(4,721)	33,381	3,093
Reportable segments gross (loss) profit	(387,016)	(165,157)	364,420	(266,491)
Realized intercompany (loss) profit	(13,694)	(524)	(13,681)	1,479
	(400,710)	(165,681)	350,739	(265,012)

(Continued)

	Segment Profit or Loss			
	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Unallocated amount				
Operating expenses	$ (468,456)	$ (569,146)	$ (1,062,916)	$ (892,535)
Other income and expenses	(121,770)	(16,224)	(121,770)	(16,224)
Nonoperating income and expenses	65,748	(33,963)	13,056	(108,247)
Loss before income tax	$ (925,188)	$ (785,014)	$ (820,891)	$ (1,282,018)

(Concluded)

Segment profit or loss represents profit or loss of each segment without the allocation of operating expenses, nonoperating income and gains, and nonoperating expenses and losses. This is the measure reported to the Corporation's chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

b. Segment total assets and liabilities

The Corporation does not regularly provide information on assets to the Corporation's chief operating decision maker; thus, it is not applicable to present the measure of assets.

TABLE 1

NEO SOLAR POWER CORP. AND SUBSIDIARIES

FINANCINGS PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2016
(In Thousands of New Taiwan Dollars)

Financing Company	Counterparty	Financial Statement Account	Maximum Balance for the Period	Ending Balance	Actual Provided	Interest Rate	Nature of Financing (Note 1)	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrowing Company	Financing Company's Total Financing Amount Limit	Note
											Item	Value			
NSP	GES USA	Other receivables from related parties	$ 325,000	$ 325,000	$ 325,000	2.80%	2	$ -	Operating capital	$ -	-	$ -	$ 2,167,479 (Notes 2, 3 and 4)	$ 4,334,959	2
General Energy Solutions	Yong Liang	Other receivables from related parties	100,000	-	-	-	2	-	Operating capital	-	-	-	236,185 (Notes 2, 3, 4 and 5)	944,738	2
	GES UK	Other receivables from related parties	234,500	234,500	-	-	2	-	Operating capital	-	-	-	236,185 (Notes 2, 3, 4 and 5)	944,738	2
	GES JAPAN	Other receivables from related parties	196,000	-	-	-	2	-	Operating capital	-	-	-	236,185 (Notes 2, 3, 4 and 5)	944,738	2
GES UK	GES JAPAN	Other receivables from related parties	196,360	196,360	196,360	2.20%	2	-	Operating capital	-	-	-	2,387,841 (Notes 2, 3, 4 and 5)	2,387,841	2
	Hashimoto	Other receivables from related parties	13,685	13,685	13,685	2.20%	2	-	Operating capital	-	-	-	238,784 (Notes 2, 3, 4 and 5)	955,136	2
	GES KYUSHU	Other receivables from related parties	29,770	29,770	29,770	2.20%	2	-	Operating capital	-	-	-	238,784 (Notes 2, 3, 4 and 5)	955,136	2

Note 1: Nature of Financing:
1) For business;
2) For short-term financing.

Note 2: The financing company's total financing amount for one counterparty should not exceed 40% of the financing company's net asset value. The net asset value of General Energy Solutions is based on the latest audited or reviewed financial statement.

Note 3: The financing company's total financing should not exceed 20% of its net asset value. A single financing should not exceed the transaction amount between financing company and counterparty within one year and should not exceed the highest amount of purchases or sales.

Note 4: NSP total amount of financing for short-term financing need should not exceed 20% of net asset value and the financing for a counterparty should not exceed 10% of net asset value.

Note 5: GES total amount of financing for short-term financing need should not exceed 40% of net asset value and the financing for a counterparty should not exceed 10% of net asset value.

Note 6: Overseas subsidiaries wholly owned directly or indirectly by General Energy Solution are not subject to Note 2. The financing company's total financing should not exceed three years and the total amount of financing and the financing for a counterparty should not exceed 100% of net asset value.

TABLE 2

NEO SOLAR POWER CORP. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2016
(In Thousands of New Taiwan Dollars)

No.	Financing Company	Counterparty		Limits on Endorsement/ Guarantee Amount Provided to Each Counterparty (Notes 1 and 2)	Maximum Balance for the Period	Ending Balance	Actual Provided	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amount Allowable (Notes 1 and 2)	Endorsement/ Guarantee Amount Provided to Subsidiary	Endorsement/ Guarantee Amount Provided to the Parent Company	Endorsement/ Guarantee Amount Provided to Mainland China
		Name	Nature of Relationship										
0	NSP	General Energy Solutions	Subsidiary	$ 4,334,959	$ 400,000	$ 400,000	$ 360,716	$ -	1.85	$ 10,837,397	YES	-	-
		DelSolar HK	Subsidiary	4,334,959	32,500	32,500	-	-	0.15	10,837,397	YES	-	-
		NSP HK	Subsidiary	4,334,959	325,000	325,000	-	-	1.50	10,837,397	YES	-	-
		CFR	Subsidiary	4,334,959	650,000	650,000	48,750	-	3.00	10,837,397	YES	-	-
		Abacus	Subsidiary	4,334,959	1,050,000	1,050,000	-	-	4.84	10,837,397	YES	-	-
		GES UK	Subsidiary	4,334,959	1,115,172	1,115,172	1,115,172	-	5.15	10,837,397	YES	-	-
		XYH Suzhou	Subsidiary	4,334,959	225,000	225,000	-	-	1.04	10,837,397	YES	-	-
1	General Energy Solutions	Yong Liang	Subsidiary	2,361,846	630,000	-	-	-	-	4,723,692	YES	-	-
		GES UK	Subsidiary	2,361,846	810,000	810,000	526,413	-	34.30	4,723,692	YES	-	-
		GES USA	Subsidiary	2,361,846	709,949	259,949	253,061	-	11.01	4,723,692	YES	-	-

Note 1: In accordance with the "Rules of Guarantees by NSP," the ceiling for total guaranteed amount was 50% of NSP's net asset value, and the limit on the guaranteed amount for a single party was 20% of NSP's net asset value. But for business purposes, the limit of guaranteed amount was the total of the purchase from or sale to NSP within the most recent year.

Note 2: Based on the "Rules of Guarantees by General Energy Solutions," the ceiling for total guaranteed amount was 200% of General Energy Solutions' (GES) net asset value, and the limit of guaranteed amount for a single party was 100% of GES's net asset value. But for business purposes, the limit on the guaranteed amount was the total of the purchase from or sale to GES within the most recent year. GES's net asset value is based on its latest audited or reviewed financial statements.

TABLE 3

NEO SOLAR POWER CORP. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2016
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2016				Note
				Shares (Thousands/ Units)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
NSP	Stock							
	TTMC	Investee	Available-for-sale financial assets - noncurrent	4,000	$ 54,760	5.44	$ 54,760	Note 2
	SUN APPENNINO CORPORATION	Investee	Financial assets carried at cost - noncurrent	-	22,590	26.09	22,590	Note 1
	FICUS CAPITAL CORPORATION	Investee	Financial assets carried at cost - noncurrent	-	1,259	28.07	1,259	Note 1
General Energy Solutions	Stock							
	Puttable preferred stock-Phanes Holding	Other related party	Debt investment with no active market - noncurrent	29	306,717	100.00	306,717	Note 2
Prime Energy	Stock							
	TTMC	Investee	Available-for-sale financial assets - noncurrent	359	5,367	0.49	5,367	Note 2
	EXOJET	Investee	Financial assets carried at cost - noncurrent	5,885	30,100	16.91	30,100	Note 1
New Ray Investment	Stock							
	TTMC	Investee	Available-for-sale financial assets - noncurrent	3,000	41,070	4.08	41,070	Note 2
GES USA	Stock							
	TG ENERGY SOLUTIONS LLC	Investee	Financial assets carried at cost - noncurrent	-	646	10.00	646	Note 1

Note 1: The above amount is based on book value.

Note 2: The above amount is based on fair value; for those pertaining to private-placement shares, on quoted market prices; and for those that cannot be traded during the lock-up period, on relevant market prices.

Note 3: The above marketable securities had not been pledged or mortgaged. TTMC’s shares held by NSP and New Ray Investment through private equity placement were restricted under Article 43-8 of the Securities and Exchange Act as of June 30, 2016.

NEO SOLAR POWER CORP. AND SUBSIDIARIES

TOTAL PURCHASE FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2016
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Nature of Relationship	Transaction Details				Non-arm's Length Transaction		Notes/Accounts Payable or Receivable		Remark
			Purchase/ Sale	Amount	% to Total (Note)	Payment Terms	Unit Price	Payment Term	Ending Balance	% to Total (Note)	
NSP	General Energy Solutions	Subsidiary	Sale	$ 249,848	2.72	120 days from the invoice date	$ -	-	$ 641,400	18.70	-
	DelSolar Wu Jiang	Subsidiary	Purchase	408,345	5.40	Cash on delivery 7 days	-	-	(28,140)	2.03	-
			Sale	208,489	2.27	Open account 30 days	-	-	116,455	3.40	-
	Delta Electronic (Japan) Inc.	Other related parties	Sale	127,055	1.38	Open account 60 days	-	-	124,057	3.62	-
GES Energy Solutions	Abacus	Subsidiary	Sale	260,061	82.09	Open account 60 days	-	-	258,584	63.40	-

Note: The amounts were based on total notes or accounts receivable (payable) or total purchase (sale) amounts of the buyer (seller).

TABLE 5

NEO SOLAR POWER CORP. AND SUBSIDIARIES

RECEIVABLE FROM RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2016
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Receivable from Related Parties Amounts	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
NSP	General Energy Solutions	Subsidiary	$ 641,400	0.96	$ 392,543	Receivable according to the financial situation	$ -	$ -
	DelSolar Wu Jiang	Subsidiary	116,455	7.00	39,766	Receivable according to the financial situation	29,802	-
	GES USA	Subsidiary	322,860	-	-	Receivable according to the financial situation	322,860	-
	Delta Electronic (Japan) Inc.	Other related parties	124,057	1.85	6	Receivable according to the financial situation	-	-
General Energy Solutions	GES KYUSHU	Associate	159,965	-	122,687	Receivable according to the financial situation	159,965	-
	Abacus	Subsidiary	343,271	-	102,547	Receivable according to the financial situation	-	-
	Abacus	Subsidiary	258,584	4.02	-	Receivable according to the financial situation	-	-
GES JAPAN	GES KYUSHU	Associate	174,879	-	126,136	Receivable according to the financial situation	-	-
	Hashimoto	Associate	235,671	-	210,618	Receivable according to the financial situation	-	-
	Abacus	Subsidiary	239,665	-	235,523	Receivable according to the financial situation	-	-
GES USA	Cedar Falls	Subsidiary	114,766	-	-	Receivable according to the financial situation	-	-
GES UK	GES JAPAN	Subsidiary	221,594	-	-	Receivable according to the financial situation	-	-
	JRC	Subsidiary	1,607,522	-	1,464,854	Receivable according to the financial situation	-	-

NEO SOLAR POWER CORP. AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE SIX MONTHS ENDED JUNE 30, 2016
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2016			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				June 30, 2016	December 31, 2015	Shares (Thousands)	% of Ownership	Carrying Value			
NSP	DelSolar Cayman	Cayman Islands	Investment company	$ 4,427,839	$ 4,427,839	139,501	100.00	$ 3,147,473	$ (372,039)	$ (371,635)	Note 1
	General Energy Solutions	Hsin-chu, Taiwan	Electronic component manufacturing and selling	2,116,408	2,116,408	145,096	75.89	1,794,226	14,756	11,198	Note 1
	NSP BVI	British Virgin Islands	Investment company	65,233	65,233	2,001	100.00	(24,265)	(90,089)	(90,089)	Note 1
	New Ray Investment	Tainan, Taiwan	Investment company	115,000	115,000	11,500	100.00	52,691	(137)	(137)	Note 1
	Prime Energy	Tainan, Taiwan	Electronic component manufacturing and selling	90,000	90,000	9,000	100.00	50,306	(132)	(132)	Note 1
	NSP System	Tainan, Taiwan	Investment company	144,200	50,000	14,420	100.00	140,084	4,195	4,195	Note 1
	V5 Technology	Hsin-chu, Taiwan	Electronic component manufacturing and selling	85,152	57,691	5,511	61.23	42,583	(27,105)	(17,208)	Note 1
	BPS	Tainan, Taiwan	Solar related business	6,000	6,000	600	60.00	5,215	(837)	(502)	Note 1
	NSP UK	London, UK	Investment company	3,947	1,449	80	100.00	401	(3,211)	(3,211)	Note 1
	New Castle	Kaohsiung, Taiwan	Investment company	550	550	55	55.00	539	(3)	(1)	Note 1
	DelSolar Singapore	Singapore	Investment company	-	-	310	100.00	(45,324)	(1,030)	(1,030)	Note 1
General Energy Solutions	Yong Liang	Hsin-chu, Taiwan	Solar related business	169,000	129,000	-	100.00	176,501	3,835	3,835	Note 1
	Yong Han	Hsin-chu, Taiwan	Solar related business	29,000	29,000	-	100.00	29,471	910	910	Note 1
	Yong Zhou	Hsin-chu, Taiwan	Solar related business	35,000	35,000	-	100.00	15,999	(4,629)	(4,629)	Note 1
	Yun Yeh	Hsin-chu, Taiwan	Solar related business	8,000	1,000	-	100.00	7,859	(48)	(48)	Note 1
	Ever Lite	Hsin-chu, Taiwan	Electronic component manufacturing and selling	6,000	-	-	100.00	5,939	(61)	(61)	Note 1
	Abacus	Tokyo, Japan	Solar related business	94,834	94,834	-	100.00	89,470	8,735	8,735	Note 1
	GES UK	London, UK	Investment company	2,265,371	2,122,975	74,000	100.00	2,319,221	57,429	57,429	Note 1
	GES BVI	British Virgin Islands	Investment company	-	-	-	-	-	-	-	Note 1
GES UK	GES USA	Delaware, US	Investment company	557,200	557,200	18,780	100.00	714,865	22,605	22,605	Note 1
	GES JAPAN	Fukuoka, Japan	Investment company	513,062	513,062	221	100.00	538,523	1,012	1,012	Note 1
	NCH Solar 1	London, UK	Solar related business	533,810	533,810	10,797	100.00	480,115	8,684	8,684	Note 1
	GES Solar 2	London, UK	Solar related business	128,705	128,657	2,582	100.00	105,104	(1,045)	(1,045)	Note 1
	GES Solar 3	London, UK	Solar related business	3,328	3,280	67	100.00	2,327	(434)	(434)	Note 1
	GES PH	Manila, Philippines	Solar related business	6,029	6,029	8,622	100.00	6,284	(1)	(1)	Note 1
	GES CANADA	Canada	Investment company	143,952	143,952	4,600	100.00	111,411	5,520	5,520	Note 1
GES USA	ET ENERGY	Indiana, US	Solar related business	247,759	247,759	8,400	100.00	292,973	15,797	15,797	Note 1
	TIPPING POINT	Ohio, US	Solar related business	34,471	34,471	1,155	100.00	27,703	25	25	Note 1
	MEGATWO	California, US	Solar related business	-	-	-	-	(49,362)	(6,657)	(6,657)	Notes 1 and 3
	MEGATHREE	Delaware, US	Solar related business	38,606	38,606	1,284	40.00	36,143	967	958	Note 1
	MEGAFIVE	California, US	Solar related business	-	-	-	-	(646)	(26)	(26)	Notes 1 and 3
	MEGASIX	California, US	Solar related business	-	-	-	-	(133)	(26)	(26)	Notes 1 and 3
	MEGASEVEN	California, US	Solar related business	-	-	-	-	(1,018)	(974)	(974)	Notes 1 and 3
	MEGAEIGHT	California, US	Solar related business	-	-	-	-	(84)	(85)	(85)	Notes 1 and 3
	CEDAR FALLS	Iowa, US	Solar related business	3,378	-	102	100.00	3,358	70	70	Note 1
	ASSET ONE	California, US	Solar related business	-	-	-	-	697	890	890	Notes 1 and 3
	ASSET TWO	California, US	Solar related business	-	-	-	-	(78)	(26)	(26)	Notes 1 and 3
	ASSET THREE	Hawaii, US	Solar related business	-	-	-	-	(414)	(420)	(420)	Notes 1 and 3
	ASSET FOUR	California, US	Solar related business	-	-	-	-	(62)	(63)	(63)	Notes 1 and 3
	CENERGY	California, US	Solar related business	-	-	-	-	35,358	33,890	33,890	Notes 1 and 3
	SH4	California, US	Solar related business	22,646	-	684	100.00	22,362	393	393	Note 1
MEGA TWO	MUNISOL	Mexico	Solar related business	-	-	-	-	(6,532)	(6,629)	(6,629)	Notes 1, 3 and 7
GES CANADA	JRC	Dominican	Solar related business	146,025	146,025	5	100.00	108,856	5,520	5,520	Note 1
GES JAPAN	GES KYUSHU	Fukuoka, Japan	Solar related business	76,116	76,116	25	45.00	30,933	15,635	7,035	Note 1
	GES FUKUSHIMA	Fukuoka, Japan	Solar related business	34,580	34,580	2	100.00	24,373	(9,142)	(9,142)	Note 1
	Hashimoto	Hoshimoto, Japan	Solar related business	10,909	10,909	2	45.00	5,362	(4,718)	(2,123)	Note 1
CENERGY	Inashiki GK	Japan	Solar related business	-	-	-	-	18,619	17,814	17,814	Notes 1 and 3
	Namegata GK	Japan	Solar related business	-	-	-	-	16,795	16,106	16,106	Notes 1 and 3
ASSET THREE	Shima’s	Hawaii, US	Solar related business	-	-	-	-	-	-	-	Notes 1 and 3

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2016			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				June 30, 2016	December 31, 2015	Shares (Thousands)	% of Ownership	Carrying Value			
ASSET THREE	Waimea	Hawaii, US	Solar related business	$ -	$ -	-	-	$ -	$ -	$ -	Notes 1 and 3
	Honokawai	Hawaii, US	Solar related business	-	-	-	-	-	-	-	Notes 1 and 3
	Eleele	Hawaii, US	Solar related business	-	-	-	-	-	-	-	Notes 1 and 3
	Hanalei	Hawaii, US	Solar related business	-	-	-	-	-	-	-	Notes 1 and 3
	Kappa	Hawaii, US	Solar related business	-	-	-	-	-	-	-	Notes 1 and 3
	Koloa	Hawaii, US	Solar related business	-	-	-	-	-	-	-	Notes 1 and 3
NSP System	Hsin Jin Optoelectronics	Tainan, Taiwan	Solar related business	10,647	10,647	-	80.00	10,302	1,341	1,073	Note 1
	Hsin Jin Solar Energy	Tainan, Taiwan	Solar related business	13,981	13,981	-	60.00	14,467	2,755	1,653	Note 1
	Si One	Tainan, Taiwan	Solar related business	15,000	15,000	1,500	100.00	14,822	(175)	(175)	Note 1
	Da Li Energy	Tainan, Taiwan	Solar related business	200	-	-	100.00	1,988	1,107	1,107	Note 1
NSP UK	NSP Germany	Cologne, Germany	Solar related business	GBP 17	GBP 17	-	90.00	GBP (48)	GBP (70)	GBP (63)	Note 1
	PV-Power-Park	Frankfurt, Germany	Solar related business	GBP 20	GBP 20	-	100.00	GBP 20	GBP -	GBP -	Notes 1 and 8
DelSolar Cayman	DelSolar US	Delaware, US	Investment company	USD 14,800	USD 14,800	1	100.00	USD 11,598	USD (1,262)	USD (1,262)	Note 1
	DelSolar HK	Hong Kong	Investment company	USD 125,200	USD 125,200	125,200	100.00	USD 86,444	USD (10,002)	USD (10,002)	Note 1
	NSP NEVADA	Nevada, US	Solar related business	USD -	USD -	-	-	USD (87)	USD (87)	USD (87)	Notes 1 and 3
DelSolar HK	DelSolar Wu Jiang	Jiangsu, China	Solar related business	USD 120,000	USD 120,000	-	100.00	USD 81,259	USD (10,166)	USD (10,166)	Notes 1, 2 and 5
	NSP JAPAN	Osaka, Japan	Solar related business	USD 97	USD 97	1	100.00	USD 221	USD 125	USD 125	Note 1
	NSP Nanchang	Jiangxi, China	Solar related business	USD 5,000	USD 5,000	-	100.00	USD 4,903	USD 39	USD 39	Notes 1 and 5
NSP BVI	CFGP	British Virgin Islands	Investment company	USD 2,000	USD 2,000	10	100.00	USD (749)	USD (2,750)	USD (2,750)	Note 1
	NSP HK	Hong Kong	Investment company	USD -	USD -	-	-	USD (3)	USD -	USD -	Notes 1 and 3
NSP NEVADA	Livermore	Delaware, US	Solar related business	USD 150	USD 150	-	75.00	USD 63	USD (116)	USD (87)	Note 1
	HI Solar Green 1 LLC	Hawaii, US	Solar related business	USD -	USD -	-	-	USD -	USD -	USD -	Notes 1 and 3
	HI Solar Green 2 LLC	Hawaii, US	Solar related business	USD -	USD -	-	-	USD -	USD -	USD -	Notes 1 and 3
	HI Solar Green 3 LLC	Hawaii, US	Solar related business	USD -	USD -	-	-	USD -	USD -	USD -	Notes 1 and 3
	HI Solar Green 4 LLC	Hawaii, US	Solar related business	USD -	USD -	-	-	USD -	USD -	USD -	Notes 1 and 3
	HI Solar Green 5 LLC	Hawaii, US	Solar related business	USD -	USD -	-	-	USD -	USD -	USD -	Notes 1 and 3
	HI Solar Green 6 LLC	Hawaii, US	Solar related business	USD -	USD -	-	-	USD -	USD -	USD -	Notes 1 and 3
	HI Solar Green 7 LLC	Hawaii, US	Solar related business	USD -	USD -	-	-	USD -	USD -	USD -	Notes 1 and 3
	HI Solar Green 8 LLC	Hawaii, US	Solar related business	USD -	USD -	-	-	USD -	USD -	USD -	Notes 1 and 3
	HI Solar Green 9 LLC	Hawaii, US	Solar related business	USD -	USD -	-	-	USD -	USD -	USD -	Notes 1 and 3
	HI Solar Green 10 LLC	Hawaii, US	Solar related business	USD -	USD -	-	-	USD -	USD -	USD -	Notes 1 and 3
NSP HK	XYH Suzhou	Jiangsu	Solar related business	USD -	USD -	-	100.00	USD (3)	USD -	USD -	Notes 1 and 7
CFR	Rugged solar LLC	Delaware, US	Solar related business	USD -	USD -	-	-	USD -	USD -	USD -	Notes 1 and 3
DelSolar US	DelSolar Development	Delaware, US	Solar related business	USD 4,850	USD 4,850	-	100.00	USD 4,722	USD (100)	USD (100)	Note 1
	CFR	Delaware, US	Solar related business	USD 2,870	USD 2,870	-	100.00	USD 657	USD (1,250)	USD (1,250)	Note 1
	USD1	Delaware, US	Solar related business	USD 3,582	USD 3,582	-	100.00	USD 3,512	USD -	USD -	Note 1
	CF Vegas	Delaware, US	Solar related business	USD -	USD 741	-	-	USD -	USD -	USD -	Notes 1 and 4
	JV2	Delaware, US	Solar related business	USD 1,950	USD -	-	-	USD 1,950	USD -	USD -	Notes 1 and 6
DelSolar Development	DSS-USF PHX LLC	US	Solar related business	USD 1,370	USD 1,370	-	100.00	USD 1,660	USD (25)	USD (25)	Note 1
	DSS-RAL LLC	US	Solar related business	USD 2,555	USD 2,555	-	100.00	USD 3,196	USD (85)	USD (85)	Note 1
DelSolar Singapore	DelSolar India	India	Solar related business	USD 300	USD 300	1,435	100.00	USD (1,406)	USD (31)	USD (31)	Note 1

Note 1: Recognized on the basis of unreviewed financial statements as of June 30, 2016.

Note 2: Recognized on the basis of reviewed financial statements as of June 30, 2016.

Note 3: The Corporation’s special-purpose entities.

Note 4: CF Vegas was disposed in February 2016.

Note 5: For the investment in mainland China, refer to Table 7.

Note 6: As of June 30, 2016, the Corporation’s ownership interest in JV2 was 67% and the Corporation accounted for two thirds of the members of the board. According to the agreement, any material operation and management decision of JV2 shall be vested solely in a Board of Managers which means Delsolar US does not have control over JV2. As specified in the agreement, the percentage interest of both members were 50% and 50%, respectively.

Note 7: The ownership of Munisol had been transferred from GES USA to MEGATWO and the ownership of XYH Suzhou had been transferred from Delsolar Wu Jiang to NSP HK in June 2016.

Note 8: UNA 249 Equity Management GmbH (UNA 249) which is the subsidiary of NSP UK had been renamed PV-Power-Park Pro 1 Verwalttungs GmbH (PV-Power-Park) in May 2016.

(Concluded)

TABLE 7

NEO SOLAR POWER CORP. AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2016
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Equity-method Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2016	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2016	Percentage of Ownership in Investment	Investment Gain (Loss)	Carrying Value as of June 30, 2016	Accumulated Inward Remittance of Earnings as of June 30, 2016
					Outflow	Inflow					
DelSolar Wu Jiang	Solar-related business	US$ 120,000	Indirect investments through the Corporation's 100% subsidiary	US$ 120,000	$ -	$ -	US$ 120,000	100%	US$ (10,166) (Note 1)	US$ 81,259 (Note 1)	$ -
NSP Nanchang	Solar-related business	US$ 5,000	Indirect investments through the Corporation's 100% subsidiary	US$ 5,000	-	-	US$ 5,000	100%	US$ 39	US$ 4,903	-

Accumulated Investment in Mainland China as of June 30, 2016 (US$ in Thousands)	Investment Amount Authorized by the Investment Commission, MOEA (US$ in Thousands)	Limit on the Corporation's Investment in Mainland China
US$ 125,000	US$128,440 (Note 2)	$ 13,004,876

Note 1: Amount was recognized on the basis of reviewed financial statements.

Note 2: On December 1, 2015, the Investment Commission, MOEA, authorized the investment of US$3,440 thousand in NSP (Jiangsu) Limited (tentative name) but the capital has not been invested as of June 30, 2016.

TABLE 8

NEO SOLAR POWER CORP. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015
(In Thousands of New Taiwan Dollars)

No.	Company Name	Counterparty	Flow of Transactions (Note 1)	Intercompany Transactions			
				Financial Statements Items	Amount	Terms	Percentage to Consolidated Total Gross Sales or Total Assets
	For the six months ended June 30, 2016						
0	NSP	General Energy Solutions	1	Accounts receivable	$ 641,400	Note 2	2%
			1	Other receivables	106	Note 2	-
			1	Accrued expenses	644	Note 2	-
			1	Sales	249,848	Note 2	2%
		GES USA	1	Other receivables	322,860	Note 2	1%
			1	Interest income	1,458	Note 2	-
			1	Interest receivables	753	Note 2	-
		Prime Energy	1	Rental income	30	Note 2	-
		New Ray Investment	1	Rental income	30	Note 2	-
		V5 Technology	1	Other receivables	93	Note 2	-
			1	Rental income	483	Note 2	-
		BPS	1	Other receivables	16	Note 2	-
			1	Rental income	90	Note 2	-
		Hsin Jin Optoelectronics	1	Accounts receivable	15,771	Note 2	-
			1	Other receivables	24,133	Note 2	-
			1	Rental income	14	Note 2	-
		DelSolar Wu Jiang	1	Accounts receivable	116,455	Note 2	-
			1	Accounts payable	28,140	Note 2	-
			1	Estimated accrued expenses	130	Note 2	-
			1	Sales	208,489	Note 2	2%
			1	Purchase	408,345	Note 2	4%
			1	Indirect material expense	131	Note 2	-
			1	Other losses	4,090	Note 2	-
		DelSolar India	1	Other receivables	49,382	Note 2	-
			1	Refundable deposits	103	Note 2	-
		Delsolar US	1	Temporary prepayments-noncurrent	115,479	Note 2	-
		NSP NEVADA	1	Temporary prepayments-noncurrent	23,924	Note 2	-
		USD1	1	Temporary prepayments-noncurrent	257,005	Note 2	1%
		CFR	1	Other receivables	19,375	Note 2	-
			1	Temporary prepayments-noncurrent	82,838	Note 2	-
			1	Refundable deposits	1,596	Note 2	-
		Hsin Jin Solar Energy	1	Accounts receivable	19,045	Note 2	-
			1	Other receivables	40,326	Note 2	-
			1	Rental income	14	Note 2	-

(Continued)

No.	Company Name	Counterparty	Flow of Transactions (Note 1)	Intercompany Transactions			
				Financial Statements Items	Amount	Terms	Percentage to Consolidated Total Gross Sales or Total Assets
0	NSP	Si One	1	Accounts receivable	$ 24,561	Note 2	-
			1	Sales	23,391	Note 2	-
			1	Rental income	14	Note 2	-
		NSP System	1	Rental income	14	Note 2	-
		NSP Japan	1	Estimated accrued expenses	9	Note 2	-
			1	Commissions	5,643	Note 2	-
		NSP Germany	1	Temporary prepayments-noncurrent	3,659	Note 2	-
			1	Accrued expenses	152	Note 2	-
			1	Maintenance and repair charges	155	Note 2	-
		Da Li Energy	1	Other receivables	58,018	Note 2	-
		DelSolar HK	1	Purchase	82,097	Note 2	1%
			1	Payments in advance	26,512	Note 2	-
		NSP Nanchang	1	Payments in advance	65,380	Note 2	-
1	DelSolar Wu Jiang	V5 Technology	3	Other operating revenue	185	Note 2	-
		XYH Suzhou	3	Other receivables	111	Note 2	-
		NSP Nanchang	3	Other receivables	6,074	Note 2	-
2	DSS-RAL LLC	DelSolar Development	3	Other receivables	19,162	Note 2	-
3	DelSolar US	CFR	3	Prepayments for long-term investments in stocks	48,429	Note 2	-
4	NSP NEVADA	Livermore	3	Temporary prepayments-noncurrent	8,825	Note 2	-
			3	Other payables - other	1,211	Note 2	-
5	USD1	CFR	3	Other receivables	17,845	Note 2	-
6	General Energy Solutions	Yong Liang	3	Rental income	35	Note 2	-
			3	Interest income	319	Note 2	-
			3	Other receipts in advance	35	Note 2	-
		Yun Han	3	Rental income	35	Note 2	-
			3	Other receipts in advance	35	Note 2	-
		Yong Zhou	3	Rental income	35	Note 2	-
			3	Other receipts in advance	35	Note 2	-
		Yun Yeh	3	Rental income	35	Note 2	-
			3	Other receipts in advance	35	Note 2	-
		GES JAPAN	3	Interest income	732	Note 2	-
		Abacus	3	Sales	260,061	Note 2	2%
			3	Accounts receivable	258,584	Note 2	1%
			3	Other receivables	343,271	Note 2	1%
		GES UK	3	Other receivables	466	Note 2	-
			3	Interest income	474	Note 2	-
		JRC	3	Other receivables	79,131	Note 2	-
		GES Solar 2	3	Accrued expenses	6,530	Note 2	-
7	Yong Zhou	Yong Liang	3	Rental income	178	Note 2	-
		Yun Han	3	Rental income	89	Note 2	-
			3	Other receipts in advance	89	Note 2	-
8	GES JAPAN	GES FUKUSHIMA	3	Other income	10,669	Note 2	-
		Abacus	3	Other receivables	239,665	Note 2	1%
9	GES UK	NCH Solar 1	3	Other income	573	Note 2	-
			3	Accrued expenses	2,139	Note 2	-

(Continued)

No.	Company Name	Counterparty	Flow of Transactions (Note 1)	Intercompany Transactions			
				Financial Statements Items	Amount	Terms	Percentage to Consolidated Total Gross Sales or Total Assets
9	GES UK	GES JAPAN	3	Other receivables	$ 221,594	Note 2	1%
			3	Interest income	1,564	Note 2	-
		GES Solar 2	3	Other income	287	Note 2	-
			3	Other receivables	4,827	Note 2	-
		GES Solar 3	3	Other income	287	Note 2	-
		JRC	3	Other receivables	1,607,522	Note 2	4%
10	GES USA	TIPPING POINT	3	Other receivables	8,869	Note 2	-
		MEGATWO	3	Other receivables	46,030	Note 2	-
		MEGAFIVE	3	Other receivables	13,441	Note 2	-
		MEGASIX	3	Other receivables	37,140	Note 2	-
		MEGASEVEN	3	Other receivables	11,461	Note 2	-
		MEGAEIGHT	3	Other receivables	31,960	Note 2	-
		ASSET ONE	3	Other receivables	35,500	Note 2	-
		ASSET TWO	3	Other receivables	78	Note 2	-
		ASSET THREE	3	Other receivables	246	Note 2	-
		ASSET FOUR	3	Other receivables	62	Note 2	-
		SH4	3	Other receivables	149	Note 2	-
		CENERGY	3	Other receivables	57	Note 2	-
		Cedar Falls	3	Other receivables	114,766	Note 2	-
		Munisol	3	Other receivables	49,174	Note 2	-
		Inashika GK	3	Other receivables	43,766	Note 2	-
		Namegata GK	3	Other receivables	294	Note 2	-
		Shima’s	3	Other receivables	5,301	Note 2	-
		Waimea	3	Other receivables	14,505	Note 2	-
		Honokawai	3	Other receivables	15,611	Note 2	-
		Eleele	3	Other receivables	16,802	Note 2	-
		Hanalei	3	Other receivables	7,707	Note 2	-
		Kappa	3	Other receivables	21,339	Note 2	-
		Koloa	3	Other receivables	15,183	Note 2	-
11	NCH Solar 1	GES Solar 2	3	Sales	6,359	Note 2	-
			3	Accounts receivable	5,052	Note 2	-
			3	Other receivables	13,060	Note 2	-
		GES Solar 3	3	Sales	4,093	Note 2	-
			3	Accounts receivable	3,981	Note 2	-
		JRC	3	Sales	47,507	Note 2	-
12	GES Solar2	GES Solar 3	3	Other receivables	22,746	Note 2	-
		JRC	3	Sales	63,074	Note 2	-
13	GES Solar3	JRC	3	Sales	24,557	Note 2	-
14	Namegata GK	Inashiki GK	3	Other receivables	17,104	Note 2	-
15	GES CANADA	JRC	3	Other receivables	69,000	Note 2	-

(Continued)

No.	Company Name	Counterparty	Flow of Transactions (Note 1)	Intercompany Transactions			
				Financial Statements Items	Amount	Terms	Percentage to Consolidated Total Gross Sales or Total Assets
	For the six months ended June 30, 2015						
0	NSP	General Energy Solutions	1	Sales	$ 24,138	Note 2	-
			1	Cost of sale	(170)	Note 2	-
			1	Purchase	161	Note 2	-
			1	Manufacturing expenses	12,231	Note 2	-
			1	Accounts receivable	23,518	Note 2	-
			1	Accrued expenses	2,676	Note 2	-
			1	Other receivables	28,997	Note 2	-
			1	Estimated payables to contractors and equipment suppliers	245	Note 2	-
			1	Acquisition of property, plant and equipment	40,245	Note 2	-
		V5 Technology	1	Other receivables	89	Note 2	-
			1	Payables to contractors and equipment suppliers	2,224	Note 2	-
			1	Rental income	420	Note 2	-
			1	Acquisition of property, plant and equipment	2,118	Note 2	-
		Prime Energy	1	Rental income	30	Note 2	-
		New Ray	1	Rental income	30	Note 2	-
		Yong Liang	1	Accounts receivable	82,704	Note 2	-
			1	Sale	78,493	Note 2	1%
		DelSolar Wu Jiang	1	Purchase	489,218	Note 2	5%
			1	Payments in advance	120,148	Note 2	-
			1	Accounts receivable	230,113	Note 2	1%
			1	Other receivables	3,906	Note 2	-
			1	Sales	601,622	Note 2	6%
			1	Accounts payable	268	Note 2	-
			1	Accrued expense	180	Note 2	-
			1	Other accounts payable-others	4	Note 2	-
			1	Maintenance and repair charges	181	Note 2	-
		DelSolar India	1	Other receivables	47,203	Note 2	-
			1	Refundable deposits	103	Note 2	-
1	DDS - RAL LLC	DelSolar Development	3	Other receivables	13,082	Note 2	-
2	General Energy Solutions	Yong Han	3	Sales	9,384	Note 2	-
			3	Rental income	35	Note 2	-
			3	Other received in advance	35	Note 2	-
		Yun Yeh	3	Rental income	29	Note 2	-
			3	Other received in advance	35	Note 2	-
		Yong Liang	3	Interest income	824	Note 2	-
			3	Rental income	35	Note 2	-
			3	Other receivables	100,578	Note 2	-
			3	Other received in advance	35	Note 2	-
		NCH Solar 1	3	Accounts receivable	67,703	Note 2	-
			3	Other receivables	190,662	Note 2	1%
		GES Solar 2	3	Other receivables	31,499	Note 2	-
		GES USA	3	Other receivables	1	Note 2	-

(Continued)

No.	Company Name	Counterparty	Flow of Transactions (Note 1)	Intercompany Transactions			
				Financial Statements Items	Amount	Terms	Percentage to Consolidated Total Gross Sales or Total Assets
2	General Energy Solutions	Yong Zhou	3	Rental income	$ 35	Note 2	-
			3	Other received in advance	35	Note 2	-
		GES JAPAN	3	Other receivables	177,860	Note 2	-
			3	Interest income	1,209	Note 2	-
		Abacus	3	Other receivables	82,501	Note 2	-
3	GES USA	ASSET ONE	3	Other receivables	172	Note 2	-
		ASSET TWO	3	Other receivables	50	Note 2	-
		Bulldog	3	Other receivables	188,972	Note 2	1%
		ET ENERGY	3	Interest income	93	Note 2	-
			3	Other receivables	22,813	Note 2	-
		MEGATWO	3	Other receivables	43,973	Note 2	-
		MEGAFOUR	3	Other receivables	154,930	Note 2	-
		TIPPING POINT	3	Interest income	48	Note 2	-
4	GES UK	NCH Solar 1	3	Other receivables	52,592	Note 2	-
5	GES Japan	GES FUKUSHIMA	3	Accrued expenses	93	Note 2	-
		Abacus	3	Other receivables	11,061	Note 2	-

Note 1: No. 1 represents the transaction from parent company to subsidiary; No. 2 represents the transaction from subsidiaries to parent company; No. 3 represents the transactions between subsidiaries.

Note 2: At normal commercial prices and terms.

(Concluded)