Stock Code:3576

United Renewable Energy Co., Ltd.

(Former name：Neo Solar Power Corp.)

2018 Annual Report

Issue Date: May 31, 2019
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I、 Company Spokesperson：

Spokesman
Name：Hong, Chum Sam
Position：Chairman & CSO
Tel:+886-3-578-0011
E-mail：Sales@urecorp.com

Deputy spokesperson
Name：Pan,Wen,Whe
Position：CEO
Tel:+886-3-578-0011
E-mail：Sales@urecorp.com

II、 Address and Telephone Number of The Company Headquarter, Subsidiaries, and Plants：

	Address	Tel
Headquarters	No.7, Li-Hsin Rd.III, Hsinchu Science Park, Hsinchu, Taiwan 300, R.O.C.	+886-3-578-0011
Branches and Plant	No. 518, Sec. 2, Bentian Rd., Annan Dist., Tainan City 709, Taiwan (R.O.C.)	+886-6-700-6588
Hukou Branch	No. 16, Guangfu N. Rd., Hukou Township, Hsinchu County 303, R.O.C.	+886-3-578-0011
Hsinchu Plant	No. 16-2, Guangfu N. Rd., Hukou Township, Hsinchu County 303, (R.O.C.)	+886-3--527-6888
Miaoli Plant	No. 21, Kebei 1st Rd., Zhunan Township, Miaoli County 350, (R.O.C.)	+886-37--586-198

III、 Stock Transfer Agency：

Company: ChinaTrust Commercial Bank, Transfer Agency Department

Address: 5F, No. 83, Sec. 1, Chungqing S. Rd., Taipei City, Taiwan, R.O.C. 100

Website: https://ecorp.chinatrust.com.tw/cts/en/index.jsp

Tel: +886 -2-6636-5566

IV、 External Auditor：

Name of Accounting Firm：Deloitte Touche Tohmatsu Limited

Name of CPAs：Yi-Hsin Kao、Yu-Feng Huang.

Address：Deloitte Touche Tohmatsu Limited

Website：http://www.deloitte.com.tw

Tel：886-3-578-0899

V、 Overseas Securities Exchange：

Singapore Exchange Securities Trading Limited

Website：http://www.sgx.com

VI、 Company Website：http://www.urecorp.com

United Renewable Energy Co., Ltd.
(Former name：Neo Solar Power Corporation)

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I. Letter to Shareholders

Dear Shareholders,

On behalf of the Management Team of United Renewable Energy (URE), I would like to thank you all for your continued support.

In 2018, Global economy was full of uncertainty and affected by trade war. The Solar industry faced raising of protectionism across countries, China 531 policy negatively impacted the market, the announcement of 2019 Feed-in tariff in Taiwan, all of the above makes challenging business environment. URE managed to completed merger with Gintech Energy Corp and Solartech Energy Corp during this challenging time. With hard work and dedication from all our employees, the consolidated revenue improved 27% from previous year to NT$13 billion, the net loss significantly decreased by 89% from previous year to NT$464 million and earnings per share was NT$-0.34, shows dramatic improvement of 92% from previous year.

Under steady leadership of the Management team, with support from Shareholders and dedication from all employees, URE aggressively gain share in the global market, with strategically placed manufacturing sites to diversify risk, expand module and system plant businesses, while maintaining stable financial structure in response to the rapid change in Solar industry.

URE products are renowned for its quality and technology with high added value to gain customer trust. Even with volatility in the solar market, URE still continue to invest in R&D to improve conversion efficiency and manufacturing process technology. At the moment URE mass produce p-Perc monocrystalline solar cell “Black 21”, with conversion efficiency reach 21.9%, the LID and PID outperformed traditional solar cell. The “Glory-BiFi” URE proprietary p-PERC monocrystalline bifacial solar cells with conversion efficiency of 21.8%, reach 340W high wattage, 1500VDC design, low LID, PID resistant and passed 4x IEC test. The rear side diffuse and reflection light could produce about 10-15% of the light produce by the front of panel; this could lower the cost of Balance of System. For n-type cell, URE have “HELLO” product with bifacial solar cell HJT technology, the conversion efficiency can reach 24.5%, power output 330W equivalent to module conversion efficiency of 20%, and right now it’s in production. URE will continue to devote resources to R&D to develop next generation solar cell, and cement our position as industry leader in terms of technology.

URE solar cell and module was awarded Taiwan Excellent PV award by Bureau of Energy, Ministry of Economic Affairs in 2018, and its sixth consecutive year that URE has the honor of receiving this award. URE BiFi glass module was selected by 26th Taiwan Excellence Award Selection for 2018, which shows that quality of URE product is significantly superior. On the international stage, URE is again on the list of DNV. GL(PVEL)’s 2018 PV module reliability scorecard, the award winning module is renowned for been durable, and reliable. URE was also on the list of Bloomberg New Energy Finance Tier 1 Module Manufacturer List in 2018 Q1, 2018 Q3 and 2018 Q4.
URE expands downstream solar system project business actively. URE has built up its core competences in development, construction, sales, and financing for global solar system projects. As well as providing O&M service for solar plant. URE is largest developer of PV systems in Taiwan, with accumulated installed capacity over 723MW. In 2018, URE Group completed several community solar projects in Colorado; one of the project expected to produce 5,124,400 kWh of clean energy annually, saving 3,814 metric tons of carbon dioxide annually. At same time the Group also maintains and operates several community solar projects in California. In Taiwan, URE Group completed Taiwan Railway Chaozhou Vehicle Base Station rooftop project (the largest state owned properties single rooftop), and Taiwan Water Corporation’s Chung Loen Pump Station rooftop solar project, this project estimated to generate 1.25 million kWh of electricity. At same time, the group also completed construction of 13 MW floating solar system. In January 2019, URE subsidiary GES sold largest solar farm on airport real estate in the world for US$24.2 million. Due to the future potential and stable income from solar system, URE will aggressively develop global solar plant business which can also create demand for solar cell and module products and driving future growth.

To ensure long term development of the company, URE successfully completed Merger on 1 October, 2018, this move signified start of new era in Taiwan Solar 2.0, established milestone in Taiwan Solar Industry. The Merger was awarded Most Representative M&A project for the year by MAPECT Taiwan M&A Awards. At same time, URE also successfully bring on board National Development Fund (NDF) and Yaohua Glass Co., Ltd. Management Committee (Yaohua) as strategic investors, the total amount invested was NT$2.7 billion, the percentage of shareholding is 13.28%, NDF and Yaohua secured one-third of seats on the board of directors. The rebirth of URE signify the successful collaboration between government and industry, together we spur solar industry transformation and upgrading, in accordance with Taiwan government energy policy. With the support from government fund and policy, URE will strive to assist Taiwan energy supply sector complete transformation, and reached government target of cumulated installed solar PV capacity of 20GW by 2025

As leader in the Solar industry and outstanding Corporate Citizen, URE feels oblige to promote clean energy,

energy conservation to our customers, user, partner and general public around the world, URE feels it's our duty to care for the environment and make contribution to society. URE's Corporate Social Responsibility Report was awarded bronze medal in 2014, silver medal in 2016, gold in 2017 and 2018 by Taiwan Institute for Sustainable Energy, this shows that URE is fully committed to ethical management, at same time make contribution to society and environment, so we can improve URE's value to industry.

The following are highlight of 2018 performance and business plan for the 2019:

The report on 2018 business result
2018 Financial Performance
Unit: NT$'000

Item	2018	2017
Consolidated Net Sales	12,983,920	10,247,887
Consolidated Gross Loss	(730,251)	(1,983,395)
Consolidated Loss from Operation	(2,709,476)	(3,892,948)
Consolidated Loss before Income Tax	(440,303)	(4,130,726)
Net Loss Attributable to Shareholders of the Parent	(468,294)	(4,154,163)

The consolidated revenue improved 27% from previous year to NT$13 billion, which was mainly due to the strategic transformation that lead to increase in module shipment and solar system development. The gross margin improved by 63% from previous year to -5.6%, the operating expenses percentage to revenue dropped to 13.2% due to well controlled expenses, a gain from bargain purchase of NT$ 2.3 billion from the Merger was recognized in the non-operation income, the net loss for the year was NT$464 million. URE's finance is stable and sound, cash and cash equivalents amount to NT$9.6 billion by the end of 2018, URE will continue to maintain sufficient cash position and finance operation will continue to be prudent and conservative.

Budget Implementation
URE did not provide nor disclose any budget forecast to the public.

Analysis of Receipts, Expenditures, and Profitability

Analysis of Receipts and Expenditures
In 2018, the net cash used in operating activities amount to NT$981 million, net cash generated from investing activities amount to NT$5.5 billion, which was mainly due to the cash received through Merger, the net cash generated from financing activities amount to NT$542 million. URE will continue to maintain sufficient cash position and finance operation will continue to be conservative and prudent.

Analysis of Profitability
The consolidated revenue improved 27% from previous year to NT$13 billion, which was mainly due to the strategic transformation that lead to increase in module shipment and solar system development. The gross margin improved by 63% from previous year to -5.6%, the operating expenses percentage to revenue down by 13.2% from previous year due to well controlled expenses, a gain from bargain purchase of NT$ 2.3 billion from the Merger was recognized in the non-operation income, the net loss for the year was NT$464 million. URE's finance is stable and sound, cash and cash equivalents amount to NT$9.6 billion by the end of 2018, URE will continue to maintain sufficient cash position and finance operation will continue to be conservative and prudent.

Examine Research and Development Work
URE products are renowned for its quality and technology with high added value to gain customer trust. URE still continue to invest in R&D to improve conversion efficiency and process technology. At the moment URE is ready to mass produce new generation of p-Perc monocrystalline solar cell "Black 22", with average conversion efficiency over 22%, the new generation of p-Perc bifacial solar cell has conversion efficiency over 21.9%; the bifacial factor can reach 75%. For N type cell, URE have "HELLO" product with bifacial solar cell HJT technology, the conversion efficiency can reach 24.5%, power output 330W equivalent to module conversion efficiency of 20%, and right now it's in production.
URE solar cell and module was awarded Taiwan Excellent PV award by Bureau of Energy, Ministry of Economic Affairs in 2018, and its sixth consecutive year that URE has the honor of receiving this award. URE BiFi double glass module was selected by 26th Taiwan Excellence Award Selection for 2018, which shows that quality of URE products is significantly superior. On the international stage, URE is again on the list of DNV. GL(PVEL)'s 2018 PV module reliability scorecard, the award winning module is renowned for been durable, and reliable. URE was also on the list of Bloomberg New Energy Finance Tier 1 Module Manufacturer List in 2018 Q1, 2018 Q3 and 2018 Q4. URE will continued to improve manufacturing process and upgrade quality and conversion efficiency of cell and module product, at same time lower cost of production, increasing market share to ensure mid to long term competitive advantage.

2019 Business Plan and Future Developmental Strategy

Business Policy, Sales Volume Forecast and Other Important Production and Sales Policies

Production Policies
Total production capacity of solar cell is about 5GW, the module production capacity will reach 3GW in 2-3 years with vertical integration, and downstream system business will reach 1GW per year within next 5 years.

Research and Development
URE will use technological advantage accumulated in the past to establish itself as Flagship Company with largest high end PERC (Passivated Emitter Rear Cell) production capacity, and develop next generation solar cell such as HJT (HeteroJunction Technology), HJBC (HeteroJunction Back Contact) and other related module products, to build up entry barrier.

Sales Policies
In order to keep up with growing global demand for renewable energy, URE will continue to expand in existing market and improve penetration to the newly developed market for new customers. At same time, utilized growth potential in Taiwan domestic market, expand module production capacity and develop high end module brand. URE will build a strong system sales team in order to develop global system business and sales channel.

System Business
In domestic market, with URE premium quality solar cell and module product and Taiwan 20GW target by 2025, URE will continue to expand domestic system business. And use experience accumulated in domestic market to aggressively develop international system business. In the future, with vertical integration of solar industry, URE will be able to provide total solution to our customers.

New Business Development
Solar power is one of variable renewable energy; it faces issues such as power shortage and grid connectivity. In order to provide total renewable energy solution, URE design and develop energy storage related product and management system from household storage to industrial level cargo storage system to Lithium battery with UPS system for factories. URE’s self-developed electricity management system has big data cloud computing capability, with 360 degree AI protection, and 24 hours surveillance, it can lower the O&M cost, also enable URE to become total solution provider to customer.

Effect of External Competition, the Legal Environment and the Overall Business Environment
1. Many countries have reach grid parity, the outlook for solar industry are optimistic. URE implement strategic transformation to compete in the global market, URE will also maintain competitive advantage in terms of cost and R&D, URE will continue to achieve the annual target in terms of business plan.
2. URE keep close watch on the foreign exchange risk control as our products tend to export to overseas market, URE monitor foreign exchange fluctuation and utilize hedge instrument to lower the risk of foreign exchange fluctuation.
3. URE will continue to diversify and expand system investment to gain global market share in response to the trade war, it is expect to low the risk of international trade dispute.
4. Taiwan government push for carbon reduction and increase renewable energy generation, the green energy industry is one of the “five plus two” innovative industries plan and 20GW PV installed target still on track for 2025, URE will aggressively develop and construct solar system business in order to achieve target set by government.
5. URE is looking to lead Taiwan solar industry away from the role of OEM manufacturer, and hope to integrate the green energy supply chain to provide more added values, at same time regain profitability and growth for our shareholders.

Chairman Dr Hong

Ⅱ、Company Profile

2.1 Date of Incorporation：August,26,2005

2.11 Address and Telephone Number of The Company Headquarter, Subsidiaries, and Plants

	Address	Tel
Headquarters	No.7, Li-Hsin Rd.III, Hsinchu Science Park, Hsinchu, Taiwan 300, R.O.C.	+886-3-578-0011
Branches and Plant	No. 518, Sec. 2, Bentian Rd., Annan Dist., Tainan City 709, Taiwan (R.O.C.)	+886-6-700-6588
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Hsinchu Plant	No. 16-2, Guangfu N. Rd., Hukou Township, Hsinchu County 303, (R.O.C.)	+886-3--527-6888
Miaoli Plant	No. 21, Kebei 1st Rd., Zhunan Township, Miaoli County 350, (R.O.C.)	+886-37--586-198

2.2Company History

August, 2005	Neo Solar Power Energy Corp was officially established.
March, 2006	The company designated the address of Hukou factory (FAB 1), started the construction of its facilities.
September, 2006	The first production line of Hukou factory (FAB 1) was finished, and began to pilot run.
December, 2006	The first production line of Hukou factory (FAB 1) began to thoroughly and massively produced 24 hours, its annual production productivity was 30MW, the profit and loss was equivalent per month.
February, 2007	Obtained the permission of entering Hsinchu Science-based Park.
September, 2007	Stock issuance went public. The utilization rate of productivity of the first production line of Hukou factory (FAB 1) reached 120%.
October, 2007	The company registered emerging stock. Groundbreaking ceremony of Hsinchu Science-based Park Headquarters and Hsinchu Industrial Park Factory (FAB2), the planning annual productivity of whole factory was 600MW.
January, 2008	Hsinchu Science-based Park Headquarters and Hsinchu Industrial Park Factory (FAB2) was under construction. The second production line of Hukou factory (FAB 1) mass produced, the annual productivity increased to 60 MW.
February, 2008	The company obtained the opinion form “was related to technology business, and the development of products was successful and marketable” that issued by the Industrial Development Bureau MOEA.
April, 2008	The third production facility of Hukou factory (FAB 1) mass produced, the annual productivity increased to 90 MW.
May, 2008	The company established the Audit Committee.
June, 2008	The utilization rate of productivity of the whole first production line of Hukou factory (FAB 1) reached 120%. The company applied for stock listing to the Taiwan Stock Exchange.
August, 2008	Hsinchu Industrial Park Factory (FAB2) was officially functioned, added two production lines, the annual productivity increased to 150 MW.
September, 2008	Hsinchu Industrial Park Factory (FAB2) further added two production lines, the annual productivity increased to 210 MW.
October, 2008	The Financial Supervision and Administration Commission of the Executive Yuan approved the listing.
January, 2009	Listed on the Taiwan Stock Exchange.
May, 2009	The polycell battery "Super Cell," with a conversion efficiency of 16.8% was released.
October, 2009	The company published the new generation of right-angle monocrystalline battery "Perfect Cell," with an average efficiency of 17.8%.
March, 2010	The new added equipment of 180 MW productivity of Hsinchu Industrial Park Factory (FAB2) was completed. The total annual productivity increased to 420 MW.
August, 2010	The company established the South Taiwan operation center (FAB3) in Tainan Science Industrial Park.
October, 2010	The company published the new generation of multi-cell battery "Super17," with an average

	conversion efficiency of more than 17%, and the single crystal cell "Perfect18," with an average conversion efficiency of more than 18%.
December, 2010	The annual productivity was expanded to 800 MW (million watts).
March, 2011	The company published the high conversion efficiency single crystal battery "Black18," with an average conversion efficiency of more than 18%.
April, 2011	The primary product, polycrystalline solar cells, passed the examination of International Carbon Footprint, and complied with the International Carbon Footprint standard "PAS2050".
June, 2011	The company was ranked as 8th place in the Taiwan Science and Technology Top 100 by the Digital Age.
July, 2011	The company successfully issued overseas depositary receipts (GDR), and completed fundraising.
August, 2011	General manager Dr. Hong, Chum-Sam was elected the chairman of the third Taiwan Photovoltaic Industry Association.
September, 2011	The company released the "Black19" single crystal battery with a conversion efficiency of over 19%. Being awarded the "Outstanding Enterprise Class" and "Best Product Category" by the National Brand Yushan Award.
October, 2011	The company released the new generation of 19% high conversion efficiency single crystal battery, "Perfect19", the power generation area was 2% more than the traditional angled single crystal battery.
December, 2011	The annual total equipment productivity increased to 1.3 GW (billion watts).
February, 2012	The company introduced the new generation of high-reliability, high-efficiency battery, "NeoMono".
April, 2012	General manager Dr. Hong, Chum-Sam was elected as Distinguished Alumni of Interdisciplinary Program of Electrical Engineering and Computer Science of National Tsing Hua University.。
May, 2012	The company developed the battery with a maximum efficiency of 19.81% with the customers jointly.
September, 2012	The company introduced the new generation of polycrystalline product, "Super18," with an efficiency of 18.3%, and a single crystal product, "Black19+," with an efficiency of 19.4%. The company had optimized production productivity, and moved Hukou factory to Hsinchu Industrial Park factory and Tainan Factory.
December, 2012	NSP and delta electronics inc cooperatively promoted Taiwan's largest solar cell company, and signed a merger contract with DelSolar Co., Ltd., a subsidiary of delta electronics inc
February, 2013	The shareholders' meeting decided to merge DelSolar Co., Ltd. by issuing new shares with capital increase on February 6, 2013. The consolidation date was temporarily scheduled for May 31, 2013.
May, 2013	NSP officially merged with DelSolar Co., Ltd. on May 31, 2013, and had become the world's largest professional solar cell company.
October, 2013	NSP module was awarded the "Golden Energy Award" from the Energy Bureau of the Ministry of Economic Affairs. The merge of NSP and DelSolar Co., Ltd. had been awarded the Taiwan M&A and Private Equity Council as the "Best Corporate Social Responsibility" for the 2013 M&A gold medal. The company introduced the new generation of multi-cell battery "Super19," with an efficiency of 19.5%, the single-cell battery "Black20," with an efficiency of 20.6%, and the double-sided power module, "BiFi". The company successfully issued convertible corporate bonds and cash capital increase, and completed fundraising. NSP established 4500 rooftop solar systems in the UK, which made it the first Taiwanese manufacturer to build solar systems on a large scale in the UK.
December, 2013	The annual total plant battery productivity increased to 2.12 GW (billion watts).
June, 2014	The company introduced three high-efficiency module products, including Super Crystal Super19 battery, single crystal Black20 battery, and half-cut Black20 battery, Super, Power, and PowerH.
July, 2014	The new convertible corporate bond (ECB) issued by NSP, which was denominated in Taiwanese dollars, was the first solar manufacturer to be successfully issued in Taiwan.
September, 2014	The new solar cell and module products of NSP were both awarded the Gold Energy Award of the Energy Bureau of the Ministry of Economic Affairs for two consecutive years.
December, 2014	The cumulative shipments of NSP products were over 6.1 GW (billion watts). NSP was awarded "Excellent Health Workplace – Health Pilot Award" by Health Promotion Administration, MOHW. NSP received budget supplement of the Ministry of Economic Affairs, Energy Bureau to conduct research and development of high-efficient products. NSP established the world's largest airport solar power plant in Indianapolis, USA.
March, 2015	The N-type double-sided light-absorbing double glass module of 新日光 was officially installed in Japan.
April, 2015	NSP signed a technical cooperation agreement with dupont.

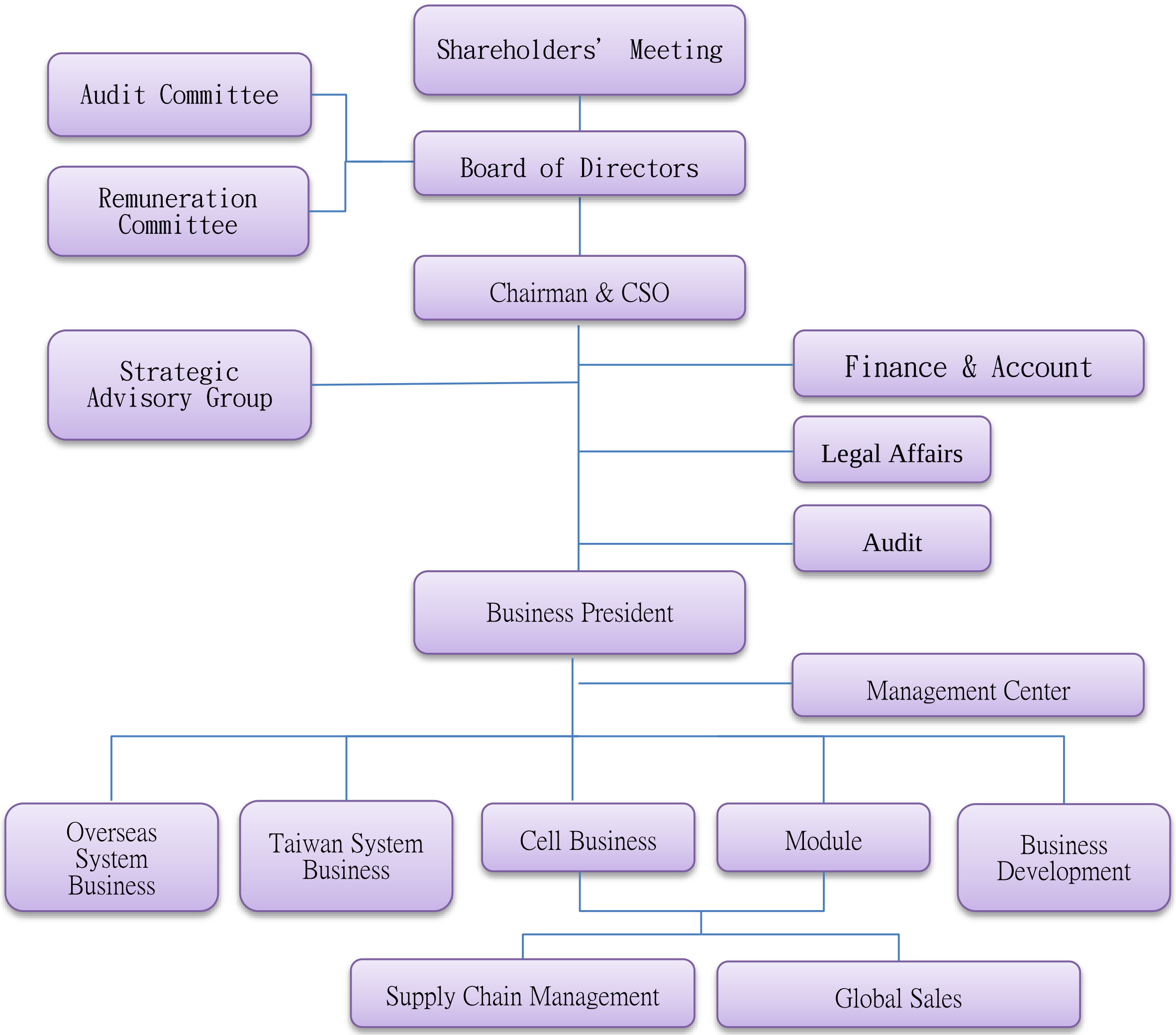
July, 2015	NSP’s cumulative product shipments were over 7 GW (billion watts).
October, 2015	The company released the new generation of single-crystal PERC high-efficiency products, "Black 21," with a maximum conversion efficiency of 21.1% The new solar cell and module products of 新日光 were both awarded the Gold Energy Award of the Ministry of Economic Affairs, Energy Bureau, for three consecutive awards.
December, 2015	NSP’s 2014 CSR Report was awarded the Bronze Award by the TAISE. NSP had leading Taiwan's solar energy industry, it was the first company that obtained the Clean Production Assessment System Certification from the Ministry of Economic Affair, Industrial Bureau. NSP’s module products were awarded the 24th “Taiwan Excellence Award” in 2016.
March, 2016	NSP’s module products were awarded the 24th “Taiwan Excellence Award” in 2016.completed the first phase 34MW of the “Monte Plata” project in the Dominican Republic and, became the largest solar power plant in the Caribbean.
April, 2016	The company successfully completed the cash increase and raised NT$2,880,000,000, it was the first Taiwan Solar Company in 2016.
June, 2016	The company respectively released three new solar cell products, the "Hello 22," with N-type HJT battery, the "Black 21," with P-type PERC battery, and the P-type PERC double-sided solar cell, "Black 21 -BiFi".
August, 2016	NSP’s module products were awarded the 24th “Taiwan Excellence Award” in 2016. signed a syndicated loan contract of US$123.6 million with the banking group. NSP’s module products were awarded the 24th “Taiwan Excellence Award” in 2016. established a joint venture with Cathay Life Insurance, expanded the investment in solar power plants in Taiwan.
October, 2016	NSP’s module products were awarded the 24th “Taiwan Excellence Award” in 2016. introduced two new single crystal module products, the PEGA PEC tandem battery's ultra-high wattage solar module, "PEACH" series, and P-type PERC solar double glass module, "Glory" series." NSP’s module products were awarded the 24th “Taiwan Excellence Award” in 2016. successfully issued the third overseas guaranteed convertible corporate bond (ECB) and received over two times over-subscription.
November, 2016	NSP’s module products were awarded the 24th “Taiwan Excellence Award” in 2016.had the first precedent of the Taiwan solar industry, completed the investment to set up a solar IPP company. NSP’s module products were awarded the 24th “Taiwan Excellence Award” in 2016.’s 2015 CSR Report was awarded the Silver Award by the TAISE.
December, 2016	The battery and module products of NSP were once again awarded the Gold Energy Award of the Ministry of Economic Affairs, Energy Bureau. It had been awarded four consecutive years, and the module was the only one of the annual Golden Energy Awards that exceeded 300Wp.
March, 2017	NSP ;GES received NT$800,000,000 syndicated loan of the bank and would continue to expand the construction of solar power plants worldwide.
June, 2017	NSP ;GES’s solar power plant of Monte Plata, was awarded highest honor in the Dominican Republic environmental award "PREMIOS ATABEY".
July, 2017	The high-efficiency module factory of NSP dedicated to Taiwan's solar energy solutions was officially launched. Japan's Fukushima of NSP ;GES 14.68MW solar power plant was bid with a high price, and the Taiwan factory sold the first case of a massive solar power station in Japan.
August, 2017	NSP US Team completed the development of the US power plant 225MW total investment of US$ 435,000,000, created a new milestone in Taiwan's solar photovoltaic.
October, 2017	NSP ;GES constructed the first 40MW UHV largest solar power plant in Taiwan. The company implemented the national energy policy and created a new “win” operational mode. NSP, GIN and SEC took the lead in signing the merge intent letter, established United Renewable Energy Co., Ltd
January, 2018	The Board of Directors of NSP, GIN and SEC respectively passed the signing of merger contract.
February, 2018	Taiwan's first P-type double-sided double-glass module roof-type solar power station of NSP was officially opened at the Yunjianan Branch of the Labor Development Department of the Ministry of Labor.
April, 2018	The Dominican Solar Power Station of GES received a long-term project financing of US$380,000 from the Dutch and German bank.
September, 2018	The battery and module products of NSP were once again awarded the Gold Energy Award of the Ministry of Economic Affairs, Energy Bureau. It had been awarded six consecutive years.
October, 2018	NSP, GIN and SEC officially completed the merger, and changed the name to United Renewable Energy Co., Ltd. URE successfully completed the private equity common stock, and introduced the Strategic Investor, National Development Dund, Executive Yuan, and United Renewable Energy Co., Ltd’s Management Committee.
November, 2018	URE signed a new credit contract of NT$10.13 billion with a banking group such as First

	Commercial Bank URE’s 2017 CSR Report was awarded the Golden Award of TAISE.
January, 2019	URE GES sold out the world’s largest airport solar power plant, the transaction amount exceeded NT$700,000,000. URE signed a memorandum of cooperation on power plants of approximately NT$10,000,000,000 to NT$15,000,000,000 jointly with Vena Energy Sign.

Ⅲ 、Corporate Governance

3.1 Organization Structure

3.11 Organization Chart (March,.31,2019)



3.12 Responsibilities of Major Departments

Department	Responsibilities
Chairman & CSO	1.To set company operational goals and future development directions 2.To manage the company's development strategy, set the policy and target. 3. Company's spokesman.
Strategic Advisory Group	1.To plan and manage the company's strategy. 2.To assess the company's policies and plan the relevant matters of projects.
CEO	1.To set the company's overall operating strategy, plans and budget, supervise and coordinate the various departments to achieve the set goals 2.To execute and manage the company's operations, business and projects. 3.To draft the company's rules and regulations review.
Cell Business Module Business	1. Solar cell production 2. Solar module production 3. Distribution productivity and chip scheduling 4. Analysis of production performance 5. Research and development of manufacture process and technique 6. Improve conversion efficiency and reduce costs 7. Process of quality control, maintenance of quality system 8. To ensure product quality and improve customer satisfaction 9. Repair and maintenance of factory environmental facilities 10 Maintenance and management of production equipment 11. Execution of production plan, scheduling planning, and management of work order 12. To establish an occupational safety and health system 13. Risk control to provide a safe workplace
Taiwan System Business Overseas System Business	1. Development and construction of solar power plants at home and abroad 2. Investment, transportation and service of solar power plants at home and abroad
Business Development BU	1. Energy conservation, new process of hydrogen energy or new technology development 2. Assist in the introduction of new products into mass production 3. Provide complete solutions of renewable energy
Supply Chain Management	1. Supplier management 2. Raw material procurement 3. Import and export operation management 4. Plan of material demand and inventory control 5. Final product shipment and packaging operations, warehouse storage and entry management
Global Sales	1. Customer development and service 2. Order acceptance and collection operations 3. Delivery and payment follow up handling 4. Coordination and arrangement of after-sales service
Finance & Accounting Division	1. Planning and management of accounting operations, financial operations, and service operations 2. Investor relationship maintenance 3. Planning and management of finance operation
Management Center	1. Human resources operation 2. Financial administration operation 3. Development, management and maintenance of various information demand projects 4. Planning and management of internet technology operation
Legal Affairs	1. To plan, execute and control the company's legal risks 2. To provide legal related consultation and review work
Audit	1. Establishment and audit of internal control system 2. To ensure the effective implementation of the internal control system

3.2 Information on the Company’s Directors, Supervisors, President, Vice President, Assistant Vice President, and The Supervisors of All The Company’s Divisions and Branch Units

3.21 Directors and Supervisors

(1) Directors’ and Supervisors’ Information

April 19, 2019

itle	Nation-ality	Name	Gender	Date Elected	Duration	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding in Other Persons’ Names		Principal Work Experiences and Academic Qualifications	Positions Held Concurrently in The Company and/or in Any Other Company	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman & CSO	Taiwan R.O.C.	Hong, Chum-Sam	Male	Nov.20,2018	3	Dec.30,2005	1,315,945	0.05%	1,315,945	0.05%	—	—	—	—	1.Ph.D of Electrical Engineering (National Tsing Hua University) 2.Director of Solar Cell Laboratory, Industrial Technology Research Institute	1.Director,General Energy Solutions Inc. 2.Chairman,NSP System Development Corp. 3.Chairman ,Prime Energy Corp. 4.Chairman, Zhongyang Corporation 5.Chairman, Si Two Corp.	N/A	N/A	N/A
Director&CEO	Taiwan R.O.C.	Pan.Wen-Whe	Male	Nov.20,2018	3	Nov.20,2018	3,747,754	0.15%	3,747,754	0.15%	245,517	0.01%	—	—	1.Department of Fiber and Composite Materials, Feng Chia University 2.PhD. Fiber & Polymer Eng., North Carolina State University 3.Gintech Energy Corporation. Director&General Manager	1. CEO, United Renewable Energy Co., Ltd. 2. Director, Zhongyang Corporation. 3. Director, Zhong-Wei Investment co,.Ltd	Vice President	Ben.Pan	father and son
Director	Taiwan R.O.C.	Lin, Kun-Si	Male	Nov.20,2018	3	Dec.30,2005	3,371,763	0.13%	3,371,763	0.13%	875,808	0.03%	—	—	1.Ph.D., Business Administration, University of Kentucky, USA 2.MBA, National Chiao Tung University, Taiwan 3.Bachelor, Electronic Engineering, National Chiao Tung University, Taiwan 4.Senior Vice President, TSMC	1.Chairman, Rafael Microelectronics, Inc. 2.Chairman, V5 Technologies 3.Independent Board Director, Powertech Technology Inc. 4.Independent Board Director, Chroma ATE Inc. 5.Strategy Advisor, United Renewable Energy Co., Ltd.	N/A	N/A	N/A
Director	Taiwan R.O.C.	Lin,wen-yuan	Male	Nov.20,2018	3	Nov.20,2018	—	—	—	—	—	—	—	—	1.Master of Graduate School of Civil Engineering,University of Hawaii, USA 2.Vice Chairman, Commission of National Corporations, Ministry of Economic Affairs 3.Chairman,Taiwan Power Company 4.Chairman,Taiwan Cogeneration Corporation 5.Chairman,China Steel Corporation	1.Chairman, Eastern Broadcasting Co., Ltd. 2.Chairman, Overseas Investment & Development Corp., OIDC 3.Chairman,Taiwan Styrene Monomer Corporation 4.Independent Director & Managing Director,Bank of Kaohsiung 5.Independent Director, Taroko Corporation 6.Independent Director, CHUN YU WORKS & CO.,LTD. 7.Independent Director, Rich Horizon International Touch Media Corporation 8.Director,Nanho Industrial Company 9.Director,Gloria Material Technology Corp. 10.Director,Daily Polymer Corporation 11.Director,United Renewable Energy Co., Ltd. 12. Chairman, Yangmingshan Tien Lai	N/A	N/A	N/A
Director	Taiwan R.O.C.	Chiang, wen-hsing	Male	Nov.20,2018	3	Nov.20,2018	—	—	—	—	—	—	—	—	1.National Chung Cheng University Department of Finance Master's degree 2.National Tsing Hua University Department of Materials Science and Engineering Bachelor's degree 3.Delta Electronics, Inc. Power and system BG DC power BU Sr. Director 4.Taiwan Optoelectronic Semiconductor Industry Association Vice-Chairman	1.Delta Electronics, Inc. Building Automation Solutions Business Department Sr. Director 2.Photonics Industry & Technology Development Association Supervisor	N/A	N/A	N/A
Director	Taiwan R.O.C.	Long deed corporation	—	Nov.20,2018	3	Nov.20,2018	1,541,625	0.06%	1,541,625	0.06%	—	—	—	—					
		Delegate: Liu,Kong-Hsin	Male				2,207,057	0.09%	2,207,057	0.09%	—	—	—	—	1.National Taiwan Ocean University Department of Shipping & Ttansportation Management 2. Assistant Vice President, Formosa Plastics Group 3. Director, Formosa Chenicals & Fibre Corporation 4. Chairman ,Solartech Energy Corp.	1. President ,Long Deed Corporation 2. Director,Solar PV Corp. 3. Independent director,Keysheen (Cayman)Holdings., co.,Limited 4. Director,Taiwan Speciality Chemicals coreoration	N/A	N/A	N/A

itle	Nation-ality	Name	Gender	Date Elected	Duration	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding in Other Persons' Names		Principal Work Experiences and Academic Qualifications	Positions Held Concurrently in The Company and/or in Any Other Company	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Director	Taiwan R.O.C.	National Development Fund, Executive Yuan	–	Nov.20,2018	3	Nov.20,2018	167,145,851	6.64%	167,145,851	6.64%	–	–	–	–			N/A	N/A	N/A
		Delegate: Chiou Yih-Peng	Male				–	–	–	–	–	–	–	–	1.BS and PhD degrees in Electrical Engineering, National Taiwan University 2.Taiwan Semiconductor Conductor Company Limited 3.RSoft Design Group (New York)	1.Professor, Graduate Institute of Photonics and Optoelectronics, Graduate Institute of Communication Engineering, and Department,of Electrical Engineering, National Taiwan University 2. Director, TacBright Optronics orporation	N/A	N/A	N/A
Director	Taiwan R.O.C.	Yaohua Glass Co., Ltd. Management Committee	–	Nov.20,2018	3	Nov.20,2018	167,145,851	6.64%	167,145,851	6.64%	–	–	–	–			N/A	N/A	N/A
		Delegate: Chou Chung-Pin	Male				–	–	–	–	–	–	–	–	1.Master of Industrial Management , National Taiwan University of Science and Technology 2.Section Chief/ Deputy Director of Information Technology Industries Division , Industrial Development Bureau Ministry of Economic Affairs 3.Deputy Director/Director of Industrial Policy Division, Industrial Development Bureau Ministry of Economic Affairs	1.Director of Taiwan Electrical and Mechanical Engineering Services, Inc 2.Director of Industrial Policy Division, Industrial Development Bureau Ministry of Economic Affairs	N/A	N/A	N/A
Director (Note 1)	Taiwan R.O.C	Delta Electronics, Inc.	–	Jun.16,2016	3	May.31,2013	167,145,851	6.64%	147,382,851	5.85%	–	–	–	–			N/A	N/A	N/A
		Delegate:：Liu,Lan-ford	Male				–	–	–	–	–	–	–	–	1.MSEE, Columbia University 2.MBA, University of Southern California 3.Emerson Electric Company (various responsibilities including business development for Greater China, head of Taiwan office, regional sales, marketing and divisional planning) 4.Delta Electronics, Inc. (various responsibilities including corporate development, BG head, corporate investment, strategic investment management and investor relations)	1.Chairman & CEO, Delta Electronics Inc. 2.Capital Company 3.Director, VPT, Inc. 4.Director, Optovue, Inc. 5.Director, WK Fund 6.Director, WK IIII Fund 7.Director, WK V Fund 8.Director, Freebird Semiconductor Corporation	N/A	N/A	N/A
Director (Note 1)	Taiwan R.O.C.	Delta Electronics, Inc.	–	Jun.16,2016	3	May.31,2013	167,145,851	6.64%	147,382,851	5.85%	–	–	–	–			N/A	N/A	N/A
		Delegate:：Albert Chang	Male				–	–	–	–	–	–	–	–	1. EMBA, National Central University 2. Senior Vice President and General Manager of Power System Business Group, Delta Electronics, Inc.	1.Director, Delta Electronics, Inc. 2.Director, Delta Electronics Foundation	N/A	N/A	N/A
Director& Business President (Note 1)	Taiwan R.O.C.	Shen,Wei-Jiun	Male	Jun.16,2016	3	Jun.16,2016	757,937	0.08%	699,282	0.03%	–	–	–	–	1. MBA from Santa Clara University, USA 2. Master degree in electrical engineering from Case Western Reserve University, USA 3. Bachelor degree in physics from National Taiwan University 4. Senior Director of TSMC 5. Managing Director of TSMC-Europe	1.Chairman, DelSolar(Wu Jiang) Ltd. 2.Director, NSP System Development Corp. 3.Chairman, Best Power Service Corp. 4.Chairman, Apex Solar Corporation 5.Chairman, New Ray Investment Corp. 6.Supervisor, General Energy Solutions Inc.	N/A	N/A	N/A
Independent Director (Note 1)	Taiwan R.O.C.	LIN,XIAN-MING	Male	Jun.16,2016	3	Jun.30,2008	–	–	–	–	–	–	–	–	1. Bachelor of Science Degree from the National Chiao Tung University 2. President & CEO of Acer Inc	1.Chairman & CSO of Wistron Corp. 2.Chairman of Wistron ITS Corp. 3.Director of Gamania Digital Entertainment Co., Ltd. 4.Independent Director of Taiwan IC Packaging Corp. 5.Independent Director of Elan Microelectronics Corp. 6.Chairman of Wiwynn Corp. 7.Director of Wistron Medical Tech Holding Company	N/A	N/A	N/A
Independent Director (Note 1)	Taiwan R.O.C.	Jian,xue-ren	Male	Jun.16,2016	3	Dec.26,2007	–	–	–	–	–	–	–	–	1. Master of Chemical Engineering, Massachusetts Institute of Technology 2. Department of Chemical and Materials Engineering, Tunghai University 3. Chairman&General Manager,Vanguard International Semiconductor Corporation	1. Chairman ,Fuchu General Contractor 2. Director ,Wistron Corp.	N/A	N/A	N/A
Independent Director	Taiwan R.O.C.	Che-Hsiung Chen	Male	Jun.16,2016	3	Jun.17,2015	–	–	–	–	–	–	–	–	1.MS degree, National Chiao Tung University 2.President, ASML Taiwan 3.Vice President, Philips Taiwan	1.Independent Board Director,Prolight Opto Technology 2.Independent Board Director,Wistron	N/A	N/A	N/A

itle	Nation-ality	Name	Gender	Date Elected	Duration	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding in Other Persons' Names		Principal Work Experiences and Academic Qualifications	Positions Held Concurrently in The Company and/or in Any Other Company	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
(Note 1)																Corporation			
Independent Director	Taiwan R.O.C.	Ming-Jeng, Weng	Male	Nov.20,2018	3	Nov.20,2018	–	–	–	–	–	–	–	–	1.MBA, University of Southern California 2.Vice President of Citi Bank 3.General Manager of Salomon Smith Barney Inc. Taipei Branch, Citi Group 4.Chairman of Lehman Brothers Securities Taiwan Ltd. 5.Managing Director of Nomura International (Hong Kong) Limited, Taipei Branch	1.Senior Partner of Millerful Capital Partners Inc 2.Director of Lion Travel Service Co., Ltd. 3.Independent Director of TPK Holding Co., Ltd. 4.Independent Director of Egis Technology Inc. 5.Independent Director of Clientron Corp.	N/A	N/A	N/A
Independent Director	Taiwan R.O.C.	Andrew C. Hsu	Male	Nov.20,2018	3	Nov.20,2018	–	–	–	–	–	–	–	–	1.National Chung Cheng University (Ph.D. 2005) 2.University of California at Berkeley (LL.M. 2007) 3.Judge, Taiwan Chiayi District Court 4.Partner of Baker & McKenzie Taipei Office 5.Visiting Scholar, Law Department of Duke University	1.Managing Partner, LexPro Attorneys -at-Law	N/A	N/A	N/A
Independent Director	Taiwan R.O.C.	Cai,ming-fang	Male	Nov.20,2018	3	Nov.20,2018	–	–	–	–	–	–	–	–	1.PhD degrees,Graduate Institute of Industrial Economics, National Central University 2.Professor, Department of International Business Soochow University 3.Independent Director ,First Life Insurance Co.,Ltd. 4. Independent Director BankTaiwan Securities Co.,Ltd.	1.Professor ,Industrial Economics, Tamkang University 2.Professor ,Graduate Institute of Industrial Economics,National Central University 3.Director ,Grand Carhay Venture Capital Co., Ltd. 4.Executive Yuan Advisory Committee Member 5.Independent Director ,Taiwan Financial Holding Co.,Ltd. 6.Independent Director ,Bank of Taiwan	N/A	N/A	N/A

Notes 1：It has already been convened a special shareholder's meeting to re-elect on November 20, 2018.

Notes 2：The company held a regular shareholders's meeting and a resolution of the Board of Directors on June 30, 2008, to approve the establishment of the Audit Committee to replace the supervisor's functions.

(2) Major shareholders of the institutional shareholders

Name of Institutional Shareholders	Major Shareholders of Institutional Shareholders
Delta Electronics Inc.	Name of Major Shareholders(10.30%)、Deico International Ltd.(8.40%)、Deltron Holding Ltd.(3.30%)、Government Of Singapore(3.15%) 、Chung-Hua Cheng(3.15%) (Also Known As Bruce C. H. Cheng)、First State Investments ICVC - Stewart Investors Asia Pacific Leaders Fund(2.61%)、New Labor Retirement Pension Fund(2.30%)、Ping Cheng(2.12%)、An Cheng(1.93%)、Nan Shan Life Insurance Co., Ltd.(1.76%) 、Labor Insurance Fund(1.64%).
Long Deed Corporation	Liou,Mei-Jyun(21.25%)、Cai,Meng-Sia(18.25%)、Liou,Kang-Sin(18%)、Liou,Huang-Cing(21.25%)、Liou,Syuan-Hao(21.25%)

(3)Major Shareholder(s) to The Company Listed in The Right Hand Column of The Above Table:

Name of Institutional Shareholders	Major Shareholders of Institutional Shareholders
Nan Shan Life Insurance Co., Ltd	First Commercial Bank Trustee Account For Representative of Ruen Chen Investment Holding Co., Ltd. (68.16%)、Representative of Ruen Chen Investment Holding Co., Ltd. (22.46%)、Y. T. Du (3.24%)、Ruen Hua Dyeing & Weaving Co., Ltd. (0.27%)、Ruentex Leasing Co., Ltd. (0.13%)、Chi-Pin Investment Company (0.10%)、Boon-Teik Koay (0.09%)、Pou Chi Investments Co., Ltd. (0.05%)、Pou Yih Investments Co., Ltd. (0.05%)、Pou Huei Investments Co., Ltd. (0.05%)、Pou Hwang Investments Co., Ltd. (0.05%)

(4)Professional qualifications and independence analysis of directors and supervisors

Criteria / Name	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Independence Criteria(Note)										Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10	
Hong, um-Sam	—	—	✓	—	—	✓	✓	✓	—	✓	✓	✓	✓	—
Lin, Kun-Si	✓	—	✓	—	—	✓	✓	✓	—	✓	✓	✓	✓	2
Liu,Lan-ford	—	—	✓	—	—	✓	✓	—	—	✓	✓	✓	—	—
Albert Chang	—	—	✓	—	—	✓	✓	—	—	✓	✓	✓	—	—
Shen,Wei-Jiun	—	—	✓	—	—	✓	✓	✓	—	✓	✓	✓	✓	—
Lin,Xian-Ming	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Che-Hsiung	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Che-Hsiung	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Pan.Wen-Whe	—	—	✓	—	—	✓	✓	✓	✓	✓	✓	✓	✓	—
Lin,Wen-Yuan	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3
Liu,Kong-Hsin	—	—	✓	—	—	✓	✓	✓	✓	✓	✓	✓	—	1
Chiou	✓	—	—	✓	✓	✓	✓	—	—	✓	✓	✓	—	—
Chou	—	—	✓	✓	✓	✓	✓	—	—	✓	✓	✓	—	—
CHIANG,	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
Ming-Jeng,	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3
Andrew C. Hsu	—	✓	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
Cai,Ming-Fang	✓	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2

1. Not an employee of the Company or any of its affiliates.
2. Not a director or supervisor of the Company or any of its affiliates. Not applicable in cases where the person is an independent director of the Company, its parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three subparagraphs.
5. Not a director, supervisor, or employee of a corporate shareholder who directly holds 5% or more of the total number of outstanding shares of the Company or who holds shares ranking in the top five holdings.
6. Not a director, supervisor, officer, or shareholder holding 5% or more of the shares, of a specified company or institution which has a financial or business relationship with the Company.
7. Not a professional individual who is an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof. These restrictions do not apply to any member of the remuneration committee who exercises powers pursuant to Article 7 of the "Regulations Governing the Establishment and Exercise of Powers of Remuneration Committees of Companies whose Stock is Listed on the TWSE or Traded on the TPEx".
8. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.
9. Not been a person of any conditions defined in Article 30 of the Company Law.
10. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

3.22Management Team

April 19, 2019

Title	Nationality	Name	Gender	Date of Inauguration	Shareholding Shares		Spouse & Minor Shareholding %		Shareholding by Nominee Arrangement Shares		Experience（Education）	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman & CSO	Taiwan R.O.C.	Hong, Chum-Sam	Male	Oct. 01, 2005	1,315,945	0.05%	–	–	–	–	1.Ph.D of Electrical Engineering (National Tsing Hua University) 2.Director of Solar Cell Laboratory, Industrial Technology Research Institute	1 Chairman,NSP System Development Corp. 2. Director,General Energy Solution 3. Director,UREE 4. Director, Neo Cathy Power Corp.	N/A	N/A	N/A
CEO	Taiwan R.O.C.	Pan.Wen-Whe	Male	Oct. 01, 2018	3,747,754	0.15%	245,517	0.01%	–	–	1.Doctor of Fiber Polymers, North Carolina State University, USA 2.Sumitomo Electronics Chief Engineer, Laboratory Manager 3.Supervisor of cyuan mao jing mi 4.General Manager of suyangci ye ji tuan 5.Directors and General manager of GIN	1.Chairman, UREE 2. Director,Zhong Yang Corp. 3. Director,Enong-wei investment	Global Sales Vice President	Ben.Pan	father and son
Business President of Battery Business	Taiwan R.O.C.	Zeng,sheng-cheng	Male	Oct. 01, 2018	768,796	0.03%	1,238,896	0.05%	–	–	1.Vice President of SEC 2.Vice President of Nan ya plastics Corporation 3.Vice President of Formosa Automobile Corporation	1. Director,Solartech Materials Corporation 2. Director,Apex Solar corporation 3. Independent Director,Medfirst Healthcare Services, Inc 4. Director,TS Solartech 5. Director,MC UT The University	N/A	N/A	N/A
Module Business President	Taiwan R.O.C.	Shen,Wei-Jiun	Male	May 05, 2008	699,282	0.03%	–	–	–	–	1.Master of Business Administration, Santa Clara University, USA 2.Master of Electrical Engineering, Case Western eserve University, USA 3.Bachelor of Physics, National Taiwan University 4.General Manager and Chief Operating Officer of NSP 5.Senior Director of TSMC 6.General Manager of the Subsidiary of TSMC in Europe	1.Chairman, DelSolar(Wu Jiang) Ltd. 2.Director, NSP System Development Corp 3.Chairman,Best Power Service Corp 4.Chairman, Apex Solar corporatio 5.Chairman, New Ray Investment Corp 6.Supervisor, GES	N/A	N/A	N/A
Finance Vice President	Taiwan R.O.C.	Pan,lay-lay	Male	Oct. 01, 2018	52,172	0.00%	–	–	–	–	1.Master of Marketing, Saint John's University 2.Financial Vice President and Chief financial officerGIN 3.Manager of Malabs 4.Assistant Manager of CITI Bank	1 Director, NSP System Development Corp. 2.Supervisor, Zhong Yang Corp. 3.Supervisor,Solartech Materials Corporation 4.Supervisor, Apex Solar corporation 5.Supervisor, Huiyang Solar Corporation 6.Supervisor,UREE 7.Supervisor,Utech Solar Corporation	N/A	N/A	N/A
Senior Vice President of Battery Business	Taiwan R.O.C.	Liou,Mimg-Zong	Femal	Oct. 01, 2018	177,620	0.01%	–	–	–	–	1. Bachelor, National TsingHua University. 2. Senior Vice President of GIN Production Department 3. United Microelectronics Corp.	1.Director, Utech Solar Corporation 2.Director,Gintech (Thailand) Limited	N/A	N/A	N/A
Supply Chain Management Vice President	Taiwan R.O.C.	Marco Hu	Male	Oct. 01, 2018	14,500	0.11%	–	–	–	–	1. Bachelor, National TsingHua University. 2. Neo Solar Power Energy Corp 3. Tynsolar Corporation 4. Ledtech Electronics Corp 5. Yifeng Construction Co., Ltd. 6. Liqi Machinery Industry Co., Ltd. 7. Qiangan Information Co., Ltd. 8. Lingya Computer Co., Ltd. 9. Delta Electronics, Inc 10. Hewlett-Packard Company 11. Guosheng Enterprise Co., Ltd. 12 USA Texas Instruments Incorporated	1.Director,General Energy Solution 2.Supervisor,Chairman, V5 Technologies	N/A	N/A	N/A
Taiwan System Vice President	Taiwan R.O.C.	Simon Li	Male	Dec. 01, 2005	230,370	0.01%	197,099	0.01%	–	–	1. Doctor of Universoty of Leeds, UK 2. Vice President of NSP 3. Sales Manager of Great China Area and Application Technical Manager of Ferro Corporation 5.R&D Manager and Project Manager of Holy Stone Enterprise Co.	1.Chairman, Huiyang Solar Corporation 2.Chairman,Tianzhu Green Power Corporation 3.Chairman,Xinjing Photoelectric Co., Ltd. 4.Chairman,Xinjing Solar Co., Ltd. 5.Chairman,Shanyu Green Power Co., Ltd. 6.Chairman,Zeyu Green Power Co., Ltd. 7. Director, NSP System DevelopmentCorp. 8 Director, Best Power Service Corp 9.Director, ThinTech Materials technology Co., Ltd. 10. Director, Apex Solar Corporation 11. Director, J&V Energy Technology Co.Ltd 12. Supervisor, Prime Energy Corp	N/A	N/A	N/A

Overseas System Business Vice President	Taiwan R.O.C.	Jack Chen	Male	June 13, 2018	–	–	–	–	–	–	1. Doctor of Mechanical Engineering, Case Western Reserve University 2. General President of GES US 3. Director of Hon Hai Precision Ind. Co., Ltd. US branch 4. Professor of Department of Mechanical Engineering, National Ocean University				
Sales Vice President	Taiwan R.O.C.	Ben.Pan	Male	Oct. 01, 2018	94,884	0.00%	55,634	0.00%	–	–	1. Bachelor, University of Wisconsin-Madison 2. Vice President of GIN 3. Vice President of Utech Solar Corporation 4. Execution Vice President of Dongguan So Yang Enterprise Co., Ltd	1. Director,solartech materials corporation	CEO	Pan.Wen-Whe	father and son
Vice President of Management Center	Taiwan R.O.C.	Liou,Mimg-Zong	Male	Oct. 01, 2018	471,214	0.02%	–	–	–	–	1. Master of Research Institute, Southern Illinois University 2. Vice President of GIN Sales Department 3. Supervisor of Sino-American Silicon Products Inc. 4. Chief Financial Officer of Ford Lio Ho Motor Co., Ltd		N/A	N/A	N/A
Global Sales & Sales Management Division Senior Vice President	Taiwan R.O.C.	Jorge Tseng	Male	Oct. 01, 2018	93,600	0.00%	7,020	0.00%	–	–	1. Master of Cornell University 2. Senior Vice President of SEC 3. Project Manager of Phison Electronics Corporation		N/A	N/A	N/A
Senior Vice President of Business Management Office	Taiwan R.O.C.	Allen Yang	Male	Oct. 01, 2018	368	0.00%	–	–	–	–	1. Master of Chemical Engineering, National Taiwan University of Science and Technology 2. Vice President of SEC 3. Host of Nan Ya Plastics Corporation LED process		N/A	N/A	N/A
Vice President of Battery Business	Taiwan R.O.C.	Ms.Yen	Male	Oct. 01, 2018	25,018	0.00%	–	–	–	–	1. Master of National ChiaoTung Unniversity 2. Associate Manager of GIN 3. Deputy Director of Shiwei Technology Co., Ltd. 4. Manager of TSMC	1. Director and General Manager of Gintech (Thailand) LIMITED	N/A	N/A	N/A
Associate General Manager of New Business Development	Taiwan R.O.C.	Kt.Ou	Male	Oct. 01, 2018	1,668	0.00%	–	–	–	–	1. Master of Physics, National Tsinghua University 2. Associate Manager of GIN Production Department 3. Process Assitant Manager of TSMC		N/A	N/A	N/A
Associate General Manager of Business Management Office	Taiwan R.O.C.	Chienping.Hsieh	Male	Oct. 01, 2018	20,850	0.00%	–	–	–	–	1. Master of Cornell University 2. Gintech Energy Orporation 3.Maxim Integrated Products 4.Vanguard International Semiconductor Corporation		N/A	N/A	N/A
Associate General Manager of Battery Business of Zhunan Factory	Taiwan R.O.C.	Andy.Tseng	Male	Oct. 01, 2018	695	0.00%	–	–	–	–	1. Associate Degree,Mingxin College of Engineering 2. Associate Manager of GIN 3. Technical Director of Gudeng Precision Industrial Co., Ltd. 4. Technical Vice President of Grand Process echnology Corporation 5. Assitant Manager of TSMC		N/A	N/A	N/A
Associate General Manager of Battery Business	Taiwan R.O.C.	CC Lai	Male	Dec. 06, 2016	76,146	0.00%	–	–	–	–	1.Department of Applied Mathematics, National ChiaoTung University 2. Associate Manager of NSP 3. Assitant Manager of TSMC		N/A	N/A	N/A
Senior Director of Accounting Department	Taiwan R.O.C.	Rita Yang	Miss	Oct. 01, 2018	–	–	–	–	–	–	1.Department of Business Administration, Fu Jen Catholic University 2. Accounting Manager of SEC	1. Director,Huiyang Solar Corporation 2. Supervisor,Best Power Service Corp 3. Director,Taihe Construction Co., Ltd.	N/A	N/A	N/A

3.23 Remuneration of Directors, Supervisors, President, and Vice Presidents

1. Remuneration of Directors

Dec 31, 2018 /Unit: NT$ thousands

Title	Name	Remuneration: Base Compensation (A): The company	Remuneration: Base Compensation (A): All companies in the consolidated financial statements	Remuneration: Severance Pay (B): The company	Remuneration: Severance Pay (B): All companies in the consolidated financial statements	Remuneration: Directors Compensation(C): The company	Remuneration: Directors Compensation(C): All companies in the consolidated financial statements	Remuneration: Allowances (D): The company	Remuneration: Allowances (D): All companies in the consolidated financial statements	Ratio of Total Remuneration (A+B+C+D) to Net Income (%): The company	Ratio of Total Remuneration (A+B+C+D) to Net Income (%): All companies in the consolidated financial statements	Relevant Remuneration Received by Directors Who are Also Employees: Salary, Bonuses, and Allowances (E): The company	Salary, Bonuses, and Allowances (E): All companies in the consolidated financial statements	Severance Pay (F): The company	Severance Pay (F): All companies in the consolidated financial statements	Employee Compensation (G): The company: Cash	Employee Compensation (G): The company: Stock	Employee Compensation (G): All companies in the consolidated financial statements: Cash	Employee Compensation (G): All companies in the consolidated financial statements: Stock	Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%): The company	Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%): All companies in the consolidated financial statements	Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary
Chairman & CSO	Hong, Chum-Sam	–	–	–	–	–	–	146	146	(0.03%)	(0.03%)	6,723	6,723	–	–	–	–	–	–	(1.48%)	(1.48%)	N/A
Director	Lin, Kun-Si	–	–	–	–	–	–	146	146	(0.03%)	(0.03%)	5,313	5,313	81	81	–	–	–	–	(1.19%)	(1.19%)	N/A
Director	Delta Electronics, Inc. (Note)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A
	Delegate:：Liu,Lan-ford	–	–	–	–	–	–	106	106	(0.02%)	(0.02%)	–	–	–	–	–	–	–	–	(0.02%)	(0.02%)	N/A
Director	Delta Electronics, Inc. (Note)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A
	Delegate:：Albert Chang	–	–	–	–	–	–	106	106	(0.02%)	–	–	–	–	–	–	–	–	–	(0.02%)	(0.02%)	N/A
Director	Cdib Capita Group(Note)	–	–	–	–	–	–	30	30	–	–	–	–	–	–	–	–	–	–	(0.01%)	(0.01%)	N/A
	Delegate:：LI,XUE-LI.(Note)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A
Director	Shen,Wei-Jiun (Note)	–	–	–	–	–	–	106	106	(0.02%)	(0.02%)	4,155	4,155	96	96	–	–	–	–	(0.94%)	(0.94%)	N/A
Director	Pan.Wen-Whe	–	–	–	–	–	–	40	40	–	–	761	761	9	9	–	–	–	–	(0.17%)	(0.17%)	N/A
Director	Lin,wen-yuan	–	–	–	–	–	–	40	40	–	–	–	–	–	–	–	–	–	–	(0.01%)	(0.01%)	N/A
Director	Chiang, wen-hsing	–	–	–	–	–	–	40	40	–	–	–	–	–	–	–	–	–	–	(0.01%)	(0.01%)	N/A
Director	Long deed corporation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A
	Liu,Kong-Hsin	–	–	–	–	–	–	40	40	–	–	200	200	12	12	–	–	–	–	(0.05%)	(0.05%)	N/A
Director	National Development Fund, Executive Yuan	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A
	Delegate: Chiou Yih-Peng	–	–	–	–	–	–	40	40	–	–	–	–	–	–	–	–	–	–	(0.01%)	(0.01%)	N/A
Director	United Renewable Energy Co., Ltd	–	–	–	–	–	–	29	29	–	–	–	–	–	–	–	–	–	–	(0.01%)	(0.01%)	N/A
	Delegate: Chou Chung-Pin	–	–	–	–	–	–	11	11	–	–	–	–	–	–	–	–	–	–	–	–	N/A
Independent Director	Ming-jeng, Weng	200	200	–	–	–	–	–	–	(0.04%)	(0.04%)	–	–	–	–	–	–	–	–	(0.04%)	(0.04%)	N/A
Independent Director	Andrew C. Hsu	200	200	–	–	–	–	–	–	(0.04%)	(0.04%)	–	–	–	–	–	–	–	–	(0.04%)	(0.04%)	N/A
Independent Director	Cai,ming-fang	200	200	–	–	–	–	–	–	(0.04%)	(0.04%)	–	–	–	–	–	–	–	–	(0.04%)	(0.04%)	N/A
Independent Director	Lin,xian-ming (Note)	2,453	2,453	–	–	–	–	106	106	(0.55%)	(0.55%)	–	–	–	–	–	–	–	–	(0.55%)	(0.55%)	N/A

Independent Director	Jian,xue-ren (Note)	2,453	2,453	–	–	–	–	106	106	(0.55%)	(0.55%)	–	–	–	–	–	–	–	–	(0.55%)	(0.55%)	N/A
Independent Director	Che-Hsiung Chen (Note)	2,346	2,346	–	–	–	–	106	106	(0.53%)	(0.53%)	–	–	–	–	–	–	–	–	(0.53%)	(0.53%)	N/A
* In addition to the above remuneration, director remuneration shall be disclosed as follows when received from companies included in the consolidated financial statements in the most recent year to compensate directors for their services, such as being independent contractors.：n/a。																						

Note：Cdib Capita Group Legal representative resigned on March 31, 2018.
Delta Electronics, Inc. Legal representative resigned on Nov 20, 2018.

2. Remuneration of the President and Vice Presidents

Dec 31, 2018Unit: NT$ thousands

Title	Name	Salary(A)		Severance Pay (B)		Employee Compensation (D)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Compensation Paid to the President and Vice Presidents from an Invested Company Other than the Company's Subsidiary
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
Chairman & CSO	Hong, Chum-Sam	38,479	41,174	1,116	1,116	4,709	4,709	—	—	—	—	(9.46%)	(10.04%)	N/A
Director&CEO	Pan.Wen-Whe													
Director	Lin, Kun-Si													
Business President	Zeng,Sheng-Cheng													
Business President	Shen,Wei-Jiun													
Vice President	Gong,Jhong-Rong													
Senior Vice President	Liou,Ming-Zong													
Vice President	Chen,Rong-Zhe													
Vice President	Wang,Zhong-Lin													
Senior Vice President	Marco Hu													
Vice President	Huang,Gui-Wu													
Vice President	Li,Hui-Png													
Vice President	Pan,Guo-Bin													
Vice President	Pan,lay-lay													
Vice President	Liu,Wei-Shu													
Senior Vice President	Zeng,Jian-Hua													
Vice President	Yang,Zhi-Sheng													
Vice President	Yan,Ming-Shuo													
Assistant Vice President	Lai,Zhi-Jie													
Assistant Vice President	Ou,Nai-Tian													
Assistant Vice President	Jie,Jian-Ping													
Assistant Vice President	Zeng,Wen-Xiang													
Accounting Division Sr. Director	Yang,Li-Jiao													
Accounting Division Sr. Director	Huang,He-Qing													

Remuneration Paid to CEO, President and Vice Presidents

Remuneration Paid to Supervisors	Names	
	The company	From All Consolidated Entities
Under NT$ 2,000,000	Pan.Wen-Whe 、 Zeng,Sheng-Cheng 、 Liou,Ming-Zong 、 Marco Hu 、 Huang,Gui-Wu 、 Pan,Guo-Bin 、 Pan,Lay-Lay 、 Liu,Wei-Shu 、 Zeng,Jian-Hua 、 Yang,Zhi-Sheng 、 Yan,Ming-Shuo、Chen,Rong-Zhe、Ou,Nai-Tian、Jie,Jian-Ping、Zeng,Wen-Xiang、Yang,Li-Jiao	Pan.Wen-Whe 、 Zeng,Sheng-Cheng 、 Liou,Ming-Zong 、 Marco Hu 、 Huang,Gui-Wu 、 Pan,Guo-Bin 、 Pan,Lay-Lay 、 Liu,Wei-Shu 、 Zeng,Jian-Hua 、 Yang,Zhi-Sheng 、 Yan,Ming-Shuo、Chen,Rong-Zhe、Ou,Nai-Tian、Jie,Jian-Ping、Zeng,Wen-Xiang、Yang,Li-Jiao
NT$2,000,001 ~ NT$5,000,000	Shen,Wei-Jiun 、 Gong,Jhong-Rong 、 Wang,Zhong-Lin 、 Li,Hui-Ping 、 Lai,Zhi-Jie 、 Huang,He-Qing	Shen,Wei-Jiun 、 Gong,Jhong-Rong 、 Wang,Zhong-Lin 、 Li,Hui-Ping 、 Lai,Zhi-Jie 、 Huang,He-Qing
NT$5,000,001 ~ NT$10,000,000	Hong, Chum-Sam 、 Lin, Kun-Si	Hong, Chum-Sam 、 Lin, Kun-Si
NT$10,000,001 ~ NT$15,000,000	—	—
NT$15,000,001 ~ NT$30,000,000	—	—
NT$30,000,001~ NT$50,000,000	—	—
NT$50,000,001 ~ NT$100,000,000	—	—
Over NT$100,000,000	—	—
Total	24	24

3. Employee Profit Sharing Granted to Management Team Date :NO。

3.24 Comparison of Remuneration for Directors, Supervisors, Presidents and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, Presidents and Vice Presidents。

Title	2017		2018	
	Form URE	From All Consolidated Entities	Form URE	From All Consolidated Entities
Directors	(0.58%)	(0.58%)	(5.63%)	(5.63%)
Supervisors	(0.99%)	(0.99%)	(9.64%)	(10.04%)

Notes: According to the resolution of the Board of Directors of the company on March 20, 2018, there were not any distribution of earnings in 2017.

(1)The remuneration paid by the company to the directors includes the remuneration of the directors and the monthly fee of traffic allowance of NT$30,000. Besides, according to the articles of the incorporation of the company, if the company's final accounts have earnings, in addition to tax payment in accordance with the law, and to make up for losses in previous years, it shall list 10% of the legal reserve. If necessary, it shall propose a special reserve, and the balance of shall be proposed by the board of directors to be submitted to the shareholders meeting for resolution. Among them, the director's compensation is 2%. Under the resolution of the Board of Directors of the company on February 21, 2012, Based on the independence and detachment of independent directors, since January 2012, independent directors drew fixed remuneration and no longer participated in the company's earnings distribution.

(2)The remuneration paid by the company to the managers, include the salary, allowances and bonuses, etc., It depends on the position and responsibility of the position, the achievement rate of the company's overall operational objectives, individual performance, and academic experience, etc., and refers to the salary level of the same-type position in the same nature to establish .

3.3 Implementation of Corporate Governance

3.31Attendance of Directors for Board Meetings

A total of 10 meetings of the board of directors were held in the previous period. Director attendance was as follows: (2018/1/1~2018/12/31)：

Title	Name	Attendance in Person	By Proxy	Attendance Rate in Person (%)	Notes
Chairman	Hong, Chum-Sam	10 / 10	0	100.00%	2018.11.20 take office
Director	Lin, Kun-Si	09 / 10	1	90.00%	2018.11.20 take office
Director	Delta Electronics, Inc. Delegate:：Liu,Lan-ford	2 / 7	2	28.57%	
Director	Delta Electronics, Inc. Delegate:：Albert Chang	4 /7	2	57.14%	
Director	Cdib Capital Group ,Delegate：Li,Syue-Li	2 / 2	0	100.00%	2018.3.31resign
Director	Shen,Wei-Jiun	5 / 7	2	71.43%	
Director	Pan.Wen-Whe	3 / 3	0	100.00%	2018.11.20 take office
Director	Lin,Wen-Yuan	2 / 3	0	66.70%	2018.11.20 take office
Director	Chiang, Wen-Hsing	2 / 3	0	66.70%	2018.11.20 take office
Director	Long Deed Corporatinn , Delegate: Liu,Kong-Hsin	3 / 3	0	100.00%	2018.11.20 take office
Director	National Development Fund, Executive Yuan Delegate: Chiou Yih-Peng	3 / 3	0	100.00%	2018.11.20 take office
Director	Yaohua Glass Co., Ltd. Management Committee	3 / 3	0	100.00%	2018.11.20 take office
Independent Director	Ming-Jeng, Weng	2 / 3	1	66.70%	2018.11.20 take office
Independent Director	Andrew C. Hsu	3 / 3	0	100.00%	2018.11.20 take office
Independent Director	CAI,Ming-Fang	3 / 3	0	100.00%	2018.11.20 take office
Independent Director	Jian,Xue-Ren	7 / 7	0	100.00%	
Independent Director	Lin,Xian-Ming	5 / 7	2	71.43%	
Independent Director	Che-Hsiung Chen	7 / 7	0	100.00%	

Other mentionable items:：

1. If any of the following circumstances occur,, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:：

(1) Matters referred to in Article 14-3 of the Securities and Exchange Act：

Date of Meeting and Session	Motion Content	All independent directors' opinions and the company's handling of the opinions of independent directors
No.13, Session 5, January 29, 2018	1.The proposal of new shares to be merged into GIN and SEC was adopted. 2.The company proposed to amend provisions of the articles of incorporation of the company. 3.The proposal of the case of increase cash private offering common stock will be handled after the completion of the merger in the first case of discussion was approved. 4.The company proposed to amend the provisions of the "Principles for Governing the Endorsement/Guarantee" of the company. 5.The company adopted the Principles for Governing the Endorsement/Guarantee for	Approved by all independent directors.

	GES	
No.14, Session 5, March 20, 2018	1.The company adopted the termination of the loaning funds to Clean Focus Yield Ltd. of US$18 million. 2. The company adopted the 2017 evaluation of the effectiveness of internal control. 3. The company adopted the 2017 "Internal Control System Statement".	
No.15, Session 5, May 8, 2018	1.The company approved the loaning funds to Clean Focus Yield Ltd, with the balance of US$50,000,000. 2.The company approved the authorization of the company's financial derivatives transaction risk management and supervision.	
No.16, Session 5, August 3, 2018	1.The company approved the merger date of the company withGIN and SEC, and the proposal of increasing the issued number of shares. 2.The company approved the continuous providing of original endorsement/guarantee and the additional new endorsement/guarantee for SEC. 3.The company approved the endorsement/guarantee for the subsidiary NSP System with providing amount NT$500,000,000.	
No.17, Session 5, October 1, 2018	1.The company approved the manager appointment. 2.The company approved the relevant matters of privately placed common shares and its price. 3.The company approved the relevant matters of thoroughly re-electing the directors (including independent directors) and the acceptance of nominations. 4.The company adopted the continuous endorsement/guarantee for GES 5.The company adopted the guarantee of providing performance through the sale of the UK power plant for NSP Indygen UK Ltd.	
No.19, Session 5, November 7, 2018	1. The company adopted the appointment of letter of guarantee when the company intends to designate it as a guarantee for Thailand subsidiary Gintech (Thailand) Limited. 2. The company approved the providing credit facilities of the endorsement/guarantee for GES	
No.2, Session 6, February 22, 2019	1.The company adopted the proposal of the absorption and merger of GES, the subsidiary of the company that held 100% of the shares.	Approved by all independent directors.
No.3, Session 6, March 22, 2019	1. The company adopted the capital increase by cash of US$ 10,000,000 with Clean Focus Renewables Inc, the subsidiary that indirectly held 100% of shares of the company. 2. The company adopted the providing of endorsement/guarantee for NSP SYSTEM Nevada Holding, the subsidiary that indirectly held 100% of shares of the company. 3. The company adopted the continuous providing of endorsement/guarantee for the subsidiary of GES, which is General Energy Solutions UK Limited. 4. The company adopted the endorsement/guarantee of concession and merger other companies.	

(2) In addition to the above-mentioned matters, other resolutions of the board of directors that have been objected to or retained by independent directors and have a record or written statement do not apply.

2. The director shall state the name of the director, the content of the proposal, the reasons for preventing the interest, and the participation in the voting:

(1) The compensation of managerial officer has been adopted by the board of directors on October 1, 2018. After the chairman of the board of directors Hong, Chum-Sam (The CEO of the company) and the director Shen,Wei-Jiun (the managerial officer of the company) proactively informed that they had prevented the interest, the director, Lin, Kun-Si, became acting chairman, which had consulting the remaining attending directors and passed for no-objection.

3. The annual and the previous year of goal of strengthening board functions (such as establish the Audit Committee, improve the information disclosure, etc.) and the implementation evaluation: None.

Notes: The way of listingis the number of actual attendance / the number of attendances during the term.

3.32Attendance of Audit Committee

A total of 10 meetings of the audit committee were held in the previous period. Independent director attendance was as follows: (2018/1/1~2018/12/31)：

Title	Name	Attendance in Person	Attendance In Proxy	Attendance Rate in Person (%)	Remark
Independent Director	Jian,Xue-Ren	8 / 8	0	100.00%	2018.11.20 Resignation
Independent Director	Lin,Xian-Ming	6 / 8	2	75.00%	2018.11.20 Resignation
Independent Director	Che-Hsiung Chen	8 / 8	0	100.00%	2018.11.20 Resignation
Independent Director	MING-JENG, WENG	1 / 2	1	50.00%	2018.11.20 take office
Independent Director	Andrew C. Hsu	2 / 2	0	100.00%	2018.11.20 take office
Independent Director	CAI,Ming-Fang	2 / 2	0	100.00%	2018.11.20 take office

Other mentionable items：

1.If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified。

(1). Matters referred to in Article 14-5 of the Securities and Exchange Act：

Date of Meeting and Session	Motion Content	All independent directors' opinions and the company's handling of the opinions of independent directors
No. 12, Session 4, January 8, 2018	1.The company adopted the proposal of issuing new shares and merger GIN and SEC. Please approve the appointment ofCrowe (TW) CPAs Qiu Jisheng Accountant as independent expert, assitt in providing an audit of the reasonableness of the conversion ratio.	Approved by all independent directors.
No. 13, Session 4, January 29, 2018	1.The company proposed to issue new shares and merger with GIN and SEC. 2.The company proposed to handle the private equity common stock of capital increase by cash after the completed merger that in accordance with the first audit matter. 3.The company proposed to amend the provisions of the "Principles and Policies Governing the Endorsement/Guarantee" of the company. 4. The company approved the providing of endorsement/guarantee for GES	
No. 14, Session 4, March 20, 2018	1.The company approved the 2017 business report and financial statements. 2.The 2017 "Validity Assessment of Internal Control System."	
No. 15, Session 4, May 8, 2018	1.The company approved the continuous providing endorsement/guarantee for the subsidiary, Clean Focus Renewables Inc. 2.The company approved the continuous providing endorsement/guarantee or GES 3. The company approved the continuous providing endorsement/guarantee for GES 's subsidiary, General Energy Solutions UK Limited.	
No. 16, Session 4, August 3, 2018	1.The company's 2018 2nd quarter comprehensive financial statement. 2. The company approved the merger base date and the proposal of number of issuing shares of capital increase with GIN and SEC. 3. The company adopted the providing of the original endorsement/guarantee for GES and added the amount of the endorsement/guarantee. 4. The company adopted the continuous providing of endorsement/guarantee for the subsidiary, NSP System, by offering NT$5 00,000 thousand of the endorsement/guarantee. 5. The company approved the proposal of selling a batch of machinery and equipment for sale and leaseback due to the demand for enriching medium and long-term operational funds and supporting future operations.	
No. 17, Session 4, October 1, 2018	1. The company approved the appointment of financial and accounting manager. 2. The company proposed to resolve the relevant matters of quoting and private equity of issuing common stock of the company. 3. The company adopted the continuous providing of endorsement/guarantee for GES. 4. The company approved the providing exercise guarantee by selling UK power plants for NSP Indygen UK Ltd.	
No. 18, Session 4, October 24, 2018	1. Report the improvement plan of the endorsement/guarantee promised exceeded the total amount of the company.	
No. 19, Session 4, November 7, 2018	1. The company adopted the establishment of 2019 audit plan, please approve. 2. The company adopted the providing of endorsement/guarantee amount for GES.	
No. 1, Session 5, February 22, 2019	1. The company recommend the convenor of the fifth Audit Committee. 2. The company adopted the proposal of absorption and merger the subsidiary that held 100% of shares of the company, which isGES.	

No. 2, Session 5, March 22, 2019	1. The company approved the 2018 business report and financial statements. 2. The 2018"Validity Assessment of Internal Control System." 3. The company adopted the capital increase by cash of US$ 10,000,000 with Clean Focus Renewables Inc, the subsidiary that indirectly held 100% of shares of the company. 4. The company adopted the providing of endorsement/guarantee for NSP SYSTEM NEVADA HOLDING, the subsidiary that indirectly held 100% of shares of the company. 5. The company approved the continuous providing endorsement/guarantee for GES 's subsidiary, General Energy Solutions UK Limited. 6. The company adopted the endorsement/guarantee of concession and merger other companies.	

(2).Except for the above-mentioned matters, other resolutions that have not been approved by the audit committee and approved by more than two-thirds of all directors do not apply.

2. Concerning the implementation of preventing interest of advantages and disadvantages, the independent directors shall state the name of the independent directors, the content of the proposal, the reasons for preventing interests, and the participation in the voting. The audit committee has no stake motion that needs to.be prevented.

3. The communication between independent directors, internal audit supervisors, and accountants (shall include the important issues, methods, and results of communicating based on the company's financial and business conditions..):

1. The manager of the internal audit of the company shall seasonally report the company's internal audit situation and the implementation of internal control to the independent director. The independent will provide professional opinion according to the report matters, and the company shall take into account their professional opinions. If any significant event occur, the meeting shall be convened immediately to report to the independent directors. The latest year of communications as of the date of the annual handbook has been printed are as follows:

Date	Communication Point
March 20, 2018	The implementation of the 2017 4th quarter audit plan
May 8, 2018	The implementation of the 2018 1st quarter audit plan
August 3, 2018	The implementation of the 2018 2nd quarter audit plan
November 7, 2018	The implementation of the 2018 3rd quarter audit plan
March 22, 2019	The implementation of the 2018 4th quarter audit plan

2.The company's independent directors and accountants will report to and thoroughly communicate with the independent directors according to the seasonal audit report, the financial situation of the company, the comprehensive operations of the subsidiaries at home and abroad, whether ther are significant adjustments and entries, special transaction matters, and the impact on the company's finance by amending laws, etc. If any significant event occur, the meeting shall be convened immediately to report to the independent directors. The latest year of communications as of the date of the annual handbook has been printed are as follows:

Date	Communication Point
March 20, 2018	1. Explained according to the 2017 profit and loss, significant accounting issues and important matters that discussed by the managerial authority. 2. Discussed and communicated according to new audit report – explained the key matters of audit. 3. The accountants discussed and communicated the questions of the participants.
May 8, 2018	1. Explained according to the 2017 1st quarter profit and loss, significant accounting issues and important matters that discussed by the managerial authority. 2. The accountants discussed and communicated the questions of the participants.
August 3, 2018	1. Explained according to the 2017 1st half quarter profit and loss, significant accounting issues and important matters that discussed by the managerial authority. 2. The accountants discussed and communicated the questions of the participants.
November 7, 2018	1 Explained according to the 2017 initial three quarters profit and loss, significant accounting issues and important matters that discussed by the managerial authority. 2. The accountants discussed and communicated the questions of the participants.
March 22, 2019	1. Explained according to the 2017 profit and loss, significant accounting issues and important matters that discussed by the managerial authority. 2. The accountants discussed and communicated the questions of the participants.

Notes: The way of listingis the number of actual attendance / the number of attendances during the term.

3.33Operation of Remuneration Committee

(1) Member Information：

Title	Condition / Name	If independent directors equip with over 5 years of working experience and below qualifications			Independence (Note1)								Concurrently serving in remuneration committee of other listed companies	Remark
		Owning qualification of national/private college instructor or above of commence, law, finance or corporal operation-related professions	Owning qualification of national/private college instructor or above of commence, law, finance or corporal operation-related professions	Owning qualification of national/private college instructor or above of commence, law, finance or corporal operation-related professions	1	2	3	4	5	6	7	8		
Independent Director	Lin,Xian-Ming	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	2	—
Independent Director	Jian,Xue-Ren	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	—	—
Independent Director	Che-Hsiung Chen	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	—

Note 1: Check in blocks if matching below description in tenure or two years before the tenure.

(1) Not an employee of the company or any of its affiliates.

(2)Not a director or supervisor of the company or any of its affiliates. The same does not apply, however, in cases where the person is an independent director of the company, its parent company, or any subsidiary in which the company holds, directly or indirectly, more than 50 percent of the voting shares.

(3)Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under any other's name, in an aggregate amount of 1 percent or more of the total number of issued shares of the company or ranking in the top 10 in shareholding.

(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three subparagraphs.

(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5 percent or more of the total number of issued shares of the company or ranks in the top 5 in shareholding.

(6)Not a director, supervisor, managerial officer, or shareholder holding 5 percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.

(7)Not a professional individual who, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, or accounting services or consultation to the company or to any affiliate of the company, or a spouse thereof.

(8) Not matching description in Article 30 of Company Act

(2) Attendance of Remuneration Committee

(1) The Company set up remuneration committee of 3 members.

(2) Tenure: From August 4, 2016 to June 16, 2018.

Title	Name	Attendance in Person (B)	Attendance In Proxy	Attendance Rate in Person (%)	Remark
Committee member	Lin,Xian-Ming	2/ 2	0	100.00%	
Committee member	Jian,Xue-Ren	2/ 2	0	100.00%	
Committee member	Che-Hsiung Chen	2/ 2	0	100.00%	

Other mentionable items:

(1) If remuneration committee’s suggestions are objected ir modified by BOD, BOD date, term, contents of motions, resolution and countermeasure of remuneration committee’s statement (if remuneration resolved by BOD is better than that of remuneration committee, discrepancy and reason should be specified): NA

(2) If any member is against or reserves his/her opinion with record or paper statement regarding committee’s resolution, remuneration committee’s date, term, contents of motions, resolution and countermeasure of member’s statement should be specified: NA

3.34Corporate Governance Implementation as Required by the Taiwan Financial Supervisory Commission：

Evaluation Item	Implementation Status 1			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary Description	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	✓		The Company has established the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies." The information has been disclosed on M.O.P.S. (http://mops.twse.com.tw/)	No significant deviation
2. Shareholding structure & shareholders' rights (1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure? (2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares? (3)Does the company establish and execute the risk management and firewall system within its conglomerate structure? (4) Does the company establish internal rules against insiders trading with undisclosed information?	✓ ✓ ✓ ✓		(1) The company has established spokespersons and the specific personnel of spokespersons, and has an investor special line and an e-mail address to deal with shareholders' suggestions or disputes. (2)The company has a dedicated staff member to manage relevant information and appoint a brokerage agent to assist in the handling of share-related matters, and physically control the company's major shareholders and the list of ultimate controllers of major shareholders, and maintain good relations with major shareholders. (3)The Company was established in the internal significant information processing and prevention of internal trading operations procedures, and include the operating procedure into the company's internal control system. (4) The company has set up internal significant information processing and prevention of internal trading procedures, prohibiting insiders from using market unpublished information to buy and sell securities.	No significant deviation
3. Composition and Responsibilities of the Board of Director (1) Does the Board develop and implement a diversified policy for the composition of its members? (2)Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee? (3)Does the company establish a standard to measure the performance of the Board, and implement it annually? (4)Does the company regularly evaluate the independence of CPAs?	✓ ✓	✓ ✓	(1)The structure of the board of directors of the company, in terms of the scale of the company's business development and its shareholdings of major shareholders, weighing the need for substantive operations, determining the number of directors, and establishing appropriate diversification policies for the company's operations, operational style, and development needs. (2)The establishment of other various functional committees of the company is still under development. (3)The performance appraisal method of the board of directors and its evaluation methods are still under development. (4)The accounting unit of the company evaluates the independence and competence of the certificated accountant once a year, and requests the accountant to provide a detached independent declaration annually, to confirm that there is no other financial interest or business relationship between the accountant and the company other than visa and taxation cases. And confirm that there is no other financial interest and business relationship between the accountant's family members and the company, and report the relevant results to the annual report of the board of directors. After the evaluation of the company, Deloitte Touche Tohmatsu Limited, they were all qualified with the company's independence and eligibility evaluation criteria and to serve as the company's certificated accountant. The evaluation result had been reported and submitted to the board of directors on March 22, 2019.	No significant deviation
4.Does the company establish operation unit o staff for corporate governance?	✓		The financial unit of the company is full-time responsible for corporate governance related units, providing the information required by directors to conduct business, handling matters related to meetings of the board of directors as well as shareholders' meeting, handling companyregistration and change of registration, making board of directors and shareholders' meeting matters, etc.	No significant deviation
5.Does the company establish a communication channel and build a designated section on its website for stakeholders, as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		The Company will communicate with interested parties regarding circumstances, the appointment s include investor relations, the Department of Shareholders, business units, and human resources, and establish spokespersons and the contact information of relevant unit on the company's website. For relevant information, please refer to the company' s website: https://www.urecorp.com/。	No significant deviation

Evaluation Item	Implementation Status 1			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary Description	
6.Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The company entrusted ChinaTrust Commercial Bank, Transfer Agency Departmenthandle the matters of the shareholders' meeting.	No significant deviation
7.Information Disclosure (1)Establishment of a corporate website to disclose information regarding the Company's financials, business and corporate governance status (2) Other information disclosure channels (e.g., maintaining an English website, designating people to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.) ?	✓ ✓		The company has established a Chinese/English official website and set up investor relations and corporate social responsibility zones. The relevant disclosed information includes: company financial information, press releases, corporate rules, shareholders' meetings or legal person briefings. For relevant information, please refer to the company' s website: https://www.urecorp.com/	No significant deviation
8.Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		(1) The company regularly holds labor-management meetings under the laws, so that employees have the opportunity to understand the company's management policy, promote communication between labor and management, and prevent all kinds of employees from happening. Additionally, the company will update the important information to all employees timely through the internal announcement platform and E-mail. (2) The Company has legally required to disclose company information honestly to protect the rights of investors and interested parties and to fulfill the responsibility of the company to shareholders. (3) The company has a smooth communication and good relationship with customers and suppliers. (4) The 2018 annual training of directors of the company is as follows:：	No significant deviation

Name of Director	Organizer	Name of the Course	Training Hours
Jian,Xue-Ren	Taiwan Corporate Governance Association	The Impact of China-US Trade Friction on Taiwanese Businessmen	3
Jian,Xue-Ren	Taiwan Corporate Governance Association	Impact of the latest company acts amendments on companies and directors as well as supervisors	3
Jian,Xue-Ren	Taiwan Corporate Governance Association	The role of directors in the process of corporate mergers and acquisitions	3
Chen Che-Hsiung	Taiwan Stock Exchange Corporation	Electronic voting 100% and company Value Improvement Forum	6
Lin,Xian-Ming	Taiwan Corporate Governance Association	The Impact of China-US Trade Friction on Taiwanese Businessmen	3
Lin,Xian-Ming	Taiwan Corporate Governance Association	Impact of the latest company law amendments on companies and directors as well as supervisors 響	3
Lin,Xian-Ming	Taiwan Corporate Governance Association	The role of directors in the process of corporate mergers and acquisitions	3
Lin,Wen-Yuan	Secureities & Futures Institute	The latest company acts amendments: looking at the latest trends in corporate governance and the impact of directors as well as supervisors" responsibilities	3
Lin,Wen-Yuan	Secureities & Futures Institute	The company's management rights competition behavior norms and practice explanation	3
Albert Chang	Taiwan Corporate Governance Association	The impact of tax reform on Delta	3

Evaluation Item	Implementation Status 1			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary Description	
			Albert Chang / Taiwan Corporate Governance Association / New legal system for the protection of personal data in the EU and China / 3 Che-Hsiung Chen / Taiwan Stock Exchange Corporation / Electronic voting 100% and company Value Improvement Forum / 6 Liu,Kong-Hsin / Taiwan Corporate Governance Association / Common tax dispute of mergers and acquisitions / 3 Liu,Kong-Hsin / Taiwan Corporate Governance Association / The impact of the new amendment of the company acts on the decisions of the board of directors / 3 (5) The company's internal control, risk management system and necessary management rules, and regulations shall be resolved by the board of directors. (6) The company strictly abides by the contracts and related regulations signed with customers, and ensures the relevant rights and interests of customers and provides good service quality. (7) The company has purchased liability insurance for directors。	
9.Specify the improvement of corporate governance valuation results issued by the corporate governance center of TWSE and list the follow ups for the enhancement of items to be improved.。	✓		The company implemented the self-assessed report on corporate governance and has not found any major shortcomings so far.	No significant deviation

Note: Regardless of whether the evaluation item is achieved or not, the company shall state an appropriate explanation.

3.34.1 Status of Fulfilling Corporate Social Responsibility：

Evaluation Item	Implementation Status 1			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation 2	
1、Corporate Governance Implementation (1)Does the company declare its corporate social responsibility policy and examine the results of the implementation? (2)Does the company provide educational training on corporate social responsibility on a regular basis? (3)Does the company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?？ (4)Does the company declare a reasonable salary remuneration policy, and integrate the employee performance appraisal system with its corporate social responsibility policy, as well as establish an effective reward and disciplinary system?	✓ ✓ ✓ ✓		(1) The company has established the Corporate Social Responsibility Best Practice Principles for URE in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies." (2) The company regularly holds social responsibility education training every year, and had held 6 times in 2018.。 (3) The Company has established the Corporate Social Responsibility Committee and the Corporate Social Office; the relevant promotion situation will be reported to the senior management. (4) The company has established a reasonable remuneration policy, and formulated performance appraisal procedures to comply with corporate social responsibility policies, and established a reward and punishment committee to achieve clear and effective rewards and punishments.	No significant deviation
2、Sustainable Environment Development (1)Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment? (2)Does the company establish proper environmental management systems based on the characteristics of their industries? (3)Does the company monitor the impact of climate change on its operations and conduct greenhouse gas inspections, as well as establish company strategies for energy conservation and carbon reduction?	✓ ✓ ✓		(1) The company is committed to clean production, improve the utilization of energy resources, reduce the consumption of raw materials and waste generation per unit of production, to achieve the goal of reducing environmental impact. (2) The company's environmental protection, safety and health, and health business are all responsible for management, not only in compliance with regulations, ISO 14001, OHSAS 18001 and TOSHMS management system certification, and the establishment of an Occupational Safety and Health Committee, to propose to develop and track the company's overall environmental safety strategy and motion. (3) In response to the greenhouse gas emission reduction and climate change, derivation of energy-saving carbon reduction plan, which is the opportunity for the company's green energy operation.	No significant deviation
3、Preserving Public Welfare (1)Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights? (2)Has the company set up an employee hotline or grievance mechanism to handle complaints with appropriate solutions? (3)Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓ ✓ ✓		(1) The company is committed to providing a safe and healthy working environment for employees: In terms of environmental safety, the company develops employees' emergency response ability and safety concept through continuous education training and promotion, strengthens employees' cognitive ability, and reduces accidents caused by unsafe behavior. As far as health management is concerned, the employee health management services are provided through the employee health check results, specialist counseling services and disease tracking management, and through diverse health promotion activities. Concerning mental health, in addition to setting up massage spaces, fitness centers, and diverse dynamic and static societies. A roll-up lecture is also offered, and various employee care activities are not regularly held to help employees adjust and balance their work and life. (2) The employees' questions can be answered through the factory's physical mailbox and Dr.H e-mail, and have a certain phone line to answer the questions and provide multiple channels for employee complaints. (3 The company is committed to providing a safe and healthy working environment for employees: In terms of environmental safety, the company develops employees' emergency response ability and safety concept through continuous education training and promotion, strengthens employees' cognitive ability, and reduces accidents caused by unsafe ehavior.	No significant deviation

Evaluation Item	Implementation Status 1			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation 2	
(4)Does the company setup a communication channel with employees on a regular basis, as well as reasonably inform employees of any significant changes in operations that may have an impact on them? (5)Does the company provide its employees with career development and training sessions? (6)Does the company establish any consumer protection mechanisms and appealing procedures regarding research development, purchasing, producing, operating and service? (7)Does the company advertise and label its goods and services according to relevant regulations and international standards? (8)Does the company evaluate the records of suppliers' impact on the environment and society before taking on business partnerships? (9)Do the contracts between the company and its major suppliers include termination clauses which come into force once the suppliers breach the corporate social responsibility policy and cause appreciable impact on the environment and society?	✓ ✓ ✓ ✓ ✓ ✓		As far as the health management is concerned, the employee health management service s are provided through employee health check results, specialist counseling services, and disease tracking management, and provide employee health management services through a variety of health promotion activities Concerning mental health, in addition to setting up massage spaces, fitness centers, and diverse dynamic and static societies. A roll-up lecture is also offered, and various employee care activities are not regularly held to help employees adjust and balance their work and life. (4) The Company has established a mechanism for regular staff communication, organizing labor-management meetings, welfare committee meetings or occasional briefing sessions quarterly, and through internal announcement platform construction and E-mail, methods to update major information to the public timely. (5) To assist the employees in their career development and enhance their professional skills, the company encourages the employees to participate in a variety of educational training courses, including new staff training, general courses, professional courses, safety courses, and various job-related training courses. Effectively cultivate the development of employees' career ability. (6) The company has a dedicated person and an e-mail address to handle issues related to the company's consumer rights complaints, and to handle consumer complaints fairly and immediately. (7) The Company's marketing and labeling of products and services are all complied with the relevant regulations and international standards. (8) The Company assesses the impact of procurement practices on the environment and society of the supply source communities and works with its suppliers to implement corporate social responsibility. (9) Relevant regulations are still under proposal.	
4、Enhancing Information Disclosure (1)Does the company disclose relevant and reliable information regarding its corporate social responsibility on its website and the Market Observation Post System (MOPS)?	✓		(1) The company has established a corporate social responsibility zone on the company's official website and has disclosed relevant information including: URE's corporate social responsibility purpose, organization, promotion scope, implemented projects, specific results and related press releases will continue to be updated in the future. The annual corporate social responsibility Report will be uploaded to the Public Information Observatory.	No significant deviation
5、If the Company has established the corporate social responsibility principles based on "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies", please describe any discrepancy between the Principles and their implementation: ：No differences.				
6、Other important information to facilitate better understanding of the company's corporate social responsibility practices：： The company has created many high-quality job opportunities. It has been awarded the " Job creation contribution award" in 2011by the Executive Council Labor Committee, the "Happy Enterprise Award" by the aa" at the end of 2015, the company was also awarded the " Silver medal of TSAC" in 2016, and the "Gold medal of TSAC" in 2017 and 2018, promoting the corporate social responsibility and relevant issues spared no efforts. The company will continue to enhance its advantages and introduce sustainable development into the company's business strategy to effectively implement corporate social responsibility.				
7. If the company's corporate social responsibility report has passed the verification criteria of the relevant certificated agency, it shall be stated： The company's 2018 Annual Corporate Social Responsibility Report will be prepared in accordance with the 2017 new GRI Standard and will be verified by a third-party certificated agency based on the AA1000 standard.				

Notes 1: Regardless of whether the check box is "Yes" or "No", it shall be stated in the summary description field.
Notes 2: If the company has established a corporate social responsibility report, the abstract description shall be noted as an alternative to the CSR Report and the index page.

3.34.2 Ethical Corporate Management

Evaluation Item	Implementation Status 1			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1、Establishment of ethical corporate management policies and programs (1)Does the company declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its board to implement the policies? (2)Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies? (3) Does the company establish appropriate precautions against high-potential unethical conducts or listed activities stated in Article 2, Paragraph 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies?	✓ ✓ ✓		(1) Integrity is the company's business faith and corporate culture. To regulate the company's directors, managers, employees in the process of engaging in business conduct, may not directly or indirectly provide, pledge, demand or accept any illegitimate interests, or behave other dishonesty that violates integrity, illegality, or breach of fiduciary duty. (2) The company has established procedures for the prevention of dishonest behaviors. All employees shall sign employment contracts, confidentiality consent, and other documents after they are employed. They will also use the training of newcomers to promote the personal conduct and violations of the "Working Rules." (3) To prevent dishonesty, the company not only specifies the procedures for suppliers, procurement and acceptance management, but also sets up reward and punishment committees and rewards and penalties for reporting, to prevent bribery and bribery, and to provide illegal political contributions.	No significant deviation
2、Fulfill operations integrity policy (1)Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts? (2)Does the company establish an exclusively (or concurrently) dedicated unit supervised by the Board to be in charge of corporate integrity? (3)Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it? (4)Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management, and are they audited by either internal auditors or CPAs on a regular basis? (5)Does the company regularly hold internal and external educational trainings on operational integrity?	✓ ✓ ✓ ✓ ✓		(1) The company requires the company's colleagues to assess whether the transaction counterparty has a record of dishonesty before conducting the transaction, to avoid transactions with those who have dishonest behavior records, and to find that the business dealings or cooperation counterparty have unethical behavior, they shall immediately stop business dealings and listing them as the refusal counterparty. (2) The Human Resources Department of the Company is responsible for promoting the integrity of the company and regularly reports to the directors on the system of integrity management, management policies, and specific promotion plans and implementation. (3) The company has established a policy to prevent conflicts of interest, provide an appropriate presentation pipeline, and has certainly implemented it. (4) The company has established an accounting system and internal control system, which the operation is normal. The internal auditors of the company regularly audit according to the audit plan and have implemented honest management to avoid fraud. (5) The company regularly holds internal education and training related to best practice and assigns relevant personnel to participate in external education and training.	No significant deviation
3、Operation of the integrity channel (1)Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up? (2)Does the company establish standard operating procedures for confidential reporting on investigating accusation cases? (3)Does the company provide proper whistleblower protection?	✓ ✓ ✓		(1) The company has established a specific reporting and reward system, and established a convenient reporting pipeline, and assigned appropriate recipients to the respondents. (2) The company has established the investigation standard operating procedures and related confidentiality mechanisms for accepting the report, the employees have to pass the factory entity's mailbox, and the Dr.H e-mail response problem, and additionally established a dedicated phone line to answer, providing multiple channels for employee complaints. (3) The company regulates the measures of the prosecutors to avoid the occurrence of the same incident or retaliation.。	No significant deviation
4、Strengthening information disclosure (1)Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	✓		The Company has disclosed the contents of the Company's Best Practice Principle of Integrity and its effectiveness on the Company's website and the Public Information Observatory.	No significant deviation
5、If the company has conducted its best practice principle in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," please describe the difference between its operation and the practice: In response to the development of new generation solar cells, the company continues to improve research and development through process improvement, product conversion efficiency, and patent layout, develop the high-efficiency solar cells with high-level twin crystal structure and high-reliability modules. Simultaneously, in response to the needs and opportunities brought about by industrial changes, the company will transform the company and vigorously expand the development and construction of downstream solar power plants to reduce market risks and				

Evaluation Item	Implementation Status 1			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
pursue corporate finance, seeking for long-term stable business development.				
6、Other important information that helps to understand the company's integrity management operations (If the company reviews and amends its establishment of best practice principle, etc.): The company operates in a stable and pragmatic spirit, and has established a spokesperson, acting spokesman and investor relations department, responsible for maintaining relationships with the public and investors and establishing a good image of the company. The company has no recent changes in corporate image and caused crisis management.				

(1) If the company has established the procedures of corporate governance or relevant articles, the inquiry way shall be disclosed: The company's website: https://www. urecorp.com/ or inquire on public information observation website.

(2) Other important information that is sufficient to increase the understanding of the operation of corporate governance, shall be disclosed wholly: None.

3.35Internal Control System Execution Status

1. Statement of Internal Control System

United Renewable Energy Co., Ltd.

Statement of Internal Control System

Date: March 22, 2019

Based on the findings of a self-assessment, United Renewable Energy Co., Ltd.. (URE) states the following with regard to its internal control system in 2018：

1 、URE is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and management. URE has established such a system aimed at providing reasonable assurance regarding the achievement of objectives in the following categories: (1) effectiveness and efficiency of operations (including profitability, performance, and safeguarding of assets), (2) reliability of financial reporting, and (3) compliance with applicable laws and regulations.

2 、An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three objectives mentioned above. Moreover, the effectiveness of an internal control system may be subject to changes of environment or circumstances. Nevertheless, the internal control system of URE contains self-monitoring mechanisms, and URE takes corrective actions whenever a deficiency is identified.

3 、URE evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The criteria adopted by the Regulations identify five components of internal control based on the process of management control: (1) control environment, (2) risk assessment and response, (3) control activities, (4) information and communication, and (5) monitoring. Each component further contains several items. Please refer to the Regulations for details.

4 、URE has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.

5 、Based on the findings of the evaluation mentioned in the preceding paragraph, URE believes that, during the year 2018 its internal control system (including its supervision and management of subsidiaries), as well as its internal controls to monitor the achievement of its objectives concerning operational effectiveness and efficiency, reliability of financial reporting, and compliance with applicable laws and regulations, were effective in design and operation, and reasonably assured the achievement of the above-stated objectives.

6、This Statement will be an integral part of URE Annual Report for the year 2018 and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.

7、This Statement has been passed by the Board of Directors in their meeting held on March 22, 2019, with zero of the 11 attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

United Renewable Energy Co., Ltd.

Chairman：Hong, Chum-Sam

President：Pan.Wen-Whe

2. Disclose the review report of independent auditors if they are retained for reviewing the internal control system: Not applicable

3.35.1 Punishment on the Company and its Staff in Violation of Law, or Punishment on its Employees in Violation of Internal Control System and Other Internal Regulations, Major Shortcomings and Status of Correction: None.

3.35.2 As of the date of this Annual Report, the following resolutions are adopted regarding annual shareholders' meeting and Board of Directors Meeting. :

1. Annual Shareholders' Meeting

Conven Date	Important Resolution
March 28, 2018 Special Shareholders' Meeting	1. The company approved the proposal of the issuance of new shares and merger with GIN and SEC was adopted. 2. The company approved the amendment of the provisions of the "Articles of Incorporation" of the company. Implementation: It was approved to be registered by the Hsinchu Science and Technology Park Administration of the Ministry of Science and Technology on April 9, 2018. 3. The company approved the private equity common stock of the capital increase by cash after discussing the completed merger of the first discussion. 4. The company approved the amendment of the provisions of the "Principles and Regulations of Governing the Endorsement/Guarantee" of the company.
June 20, 2018 Regular Shareholders' Meeting	1. The company recognized the 2017 business report and financial statements. 2. The company recognized the proposal of 2017 loss make-up. 3. he company approved the dissolution of the non-competition prohibition of the company's new director.
November 20, 2018 Special Shareholders' Meeting	1. The company entirely re-elected directors (including independent directors.) 2. The company approved the dissolution of the non-competition prohibition for newly elected directors (including independent directors.)

2. Board of Directors Meeting

Conven Date	Important Resolution
January 29, 2018	1. The company proposed to issue new shares and merge with GIN and SEC. 2. The company proposed to amend the provisions of the articles of incorporation of the company. 3. The company proposed to handle the private common stock of capital increase by cash after discussing the completed merger of the first discussion. 4. The company proposed to amend the provisions of the company's "principles and regulations of governing the endorsement/guarantee." 5. The company approved the endorsement/guarantee to GES.
March 20, 2018	1. The company approved the 2017 business report and financial statements. 2. The company adopted the proposal of 2017 loss make-up. 3. The company established the meeting time and relevant agendas of the company's 2018 regular shareholders' meeting. 4. The company reported and submitted the company's 2018 operational plan. 5. The company amended the provisions of the "Board of Directors' Meeting Rules." 6. The company amended the provisions of the "Auditee Committee Articles." 7. The assessment of the 2017 internal control effectiveness. 8. The company prepared the 2017 "Internal Control System Declaration."
May 8, 2018	1. The company adopted the loaning funds to Clean Focus Yield Ltd, with the amount of US$50,000,000. 2. The company adopted the financial derivatives transactions risk and supervision and management authorization of the company.
August 3, 2018	1. The company approved the establishment of merger base date and the proposal of capital increase issuance of share number of the company, GIN, and SEC. 2. The company approved the continuous providing of the original endorsement/guarantee and additionally added the endorsement/guarantee to GES 3. The company approved the continuous providing of the endorsement/guarantee of NT$ 500,000 thousand (as follows) to the subsidiary, NSP System. 4. The company approved the proposal of selling a batch of machinery and equipment for sale and leaseback due to the requirement of enriching the medium and long-term operating funds and support future operations of the company.
October 1, 2018	1. The company adopted the appointment of the managerial officer. 2. The company adopted the remuneration of the managerial officer. 3. The company resolved the relevant matters of price and the private equity issuance of

Conven Date	Important Resolution
	common stock. 4. The company approved the syndicated loan that organized First commercial bank、Cooperative bank、Mega International Commercial Bank、ChinaTrust Commercial Bank due to operational demand, and had commissioned the above-mentioned bands as the leading banks of the syndicated loan for organizing NT$11,000,000,000 (as follows.) 5. The company approved the relevant matters of establishing the change of the company's name and the base date of reissuing stocks and the operating plan of reissuing securities. 6. The company thoroughly re-elected the directors (including independent directors) and had been applicable for the relevant matters of nomination. 7. The company nominated the director (including independent director) candidate. 8. The company adopted the lifting of the non-competition prohibition case for newly elected directors (including independent directors). 9. The company approved the relevant matters of the completed merger of the company, GIN, and SEC, and submitted to the 2018 second special shareholders' meeting under the acts. 10. The company approved the continuous providing the endorsement/guarantee to GES. 11. The company adopted the providing exercising guarantee by selling UK power plant to NSP Indygen UK Ltd. 12. The company approved the new-added financing comprehensive balance of the bank. 13. The company approved the revocation of the company's Taipei branch.
October 24, 2018	1. The company reported and submitted the capital increase implementation of private equity of issuance of common stock to the 2018 second special shareholders' meeting. 2. The company approved the qualification examination of the company's directors (including independent directors) candidates. 3. The company adopted the new establishment of the 2018 second special shareholders' meeting's relevant agendas. 4. The company adopted the proposal of increase the financing comprehensive balance of the bank. 5. The company approved the signing personnel of the preparation of the guarantee letter when the company proposes to guarantee to overseas companies.
November 7, 2018	1. The company approved the 2019 audit plan. 2. The company approved the signing personnel of the guarantee letter when the company guarantee to the company's Thailand subsidiary, Gintech (Thailand) Limited. 3. The company approved the amount of providing the endorsement/guarantee to GES.
February 22, 2019	1. The company adopted the change of Hukou branch managerial officer and the relocation of the office. 2. The company approved the proposal of absorption and merger of the company's subsidiary that held 100% of the shares of the company, which is GES.
March 22, 2019	1. The company approved the 2018 business report and financial statements, and they had been submitted to the regular shareholders' meeting for recognition. 2. The company approved the 2018 proposal of loss make-up, and it had been submitted to the 2019 regular shareholders' meeting for recognition. 3. The company adopted the establishment of the meeting time and relevant agendas of the company's 2019 regular shareholders' meeting. 4. The company adopted the submission of the company's 2019 operational plan. 5. The company approved the treatment of 2019 financing comprehensive balance of the bank. 6. The company adopted the establishment of capital reduction base date of the new restricted employees shares of 1648 shares, and the date is March 30, 2019. 7. The company adopted the preparation of the 2018"Internal Control System Explanation." 8. The company adopted the capital increase by cash of US$10000 thousand of the company's subsidiary that indirectly held 100% of the shares of the company, which is Clean Focus Renewables Inc. 9. The company approved the providing endorsement/guarantee to the company's subsidiary that indirectly held 100% of the shares of the company, which is Nsp System Nevada Holding Corp. 10. The company approved the continuous providing of endorsement/guarantee to GES.'s subsidiary, General Energy Solutions UK Limited. 11. The company approved the endorsement/guarantee of successive merger to other companies.

3.36 As Of The Date Of This Annual Report, A Director Or A Supervisor Has Expressed Disagreement To A Resolution Passed By The Board Of Directors And Kept Document Or A Written Statement: None.

3.37As Of The Date Of This Annual Report, Resignation Or Dismissal Of Personnel Responsible For Financial Report (Including Chairman, President, Accounting And Audit Managers):

Title	Name	Date of Appointment	Date of Termination	Reasons for Resignation or Dismissal
CEO / Research and development officer	Hong, Chum-Sam	October ,01 2005	October,01 2018.	job transfer
Business President	Shen,Wei-Jiun	May, 5 2008	October,01 2018.	job transfer
Financial officer	Gong,Jhong-Rong	February ,15 2017	October,01 2018.	job transfer
Accounting Division:	Huang,He-Cing	March, 01 2012	October,01 2018.	resignation
Research and development officer	Huang,Guei-Wu	February,01 2009	January,10 2019	retirement

3.4 Information Regarding Audit Fees：

3.4.1 Audit Fees

Accounting Firm	Name of CPA		Audit PeriodCPA's	Note
Deloitte & Touche	Yi-Hsin Kao	Yu-Feng Huang.	2018.01~2018.12	N/A

Unit: NT$ 1000

Accounting Firm	Name of CPA	Audit Fee	Non-audit Fee					Period Covered by CPA's Audit	Remarks
			System of Design	Company Registration	Human Resource	Others	Subtotal		
Deloitte & Touche	Yi-Hsin Kao Yu-Feng Huang.	11,955				659	659	107/01~ 107/12	

3.4.1.1 Non-Audit Fee Paid to Auditors and the Accounting Firm Accounted for More Than One-Fourth of Total Audit Fee Shall Disclose the Amount and The Service Item: None.

3.4.1.2 When the Company Changes Its Accounting Firm and the Audit Fees Paid for the Fiscal Year in Which Such Change Took Place Are Lower Than Those for the Previous Year, The Reduction in the Amount of Audit Fees, Reduction Percentage, and Reason(S) Therefore Shall Be Disclosed: None.

3.4.1.3 When the Audit Fees Paid for the Current Year Are Lower Than Those for the Previous Fiscal Year by 15 Percent Or More, the Reduction in the Amount of Audit Fees, Reduction Percentage, and Reason(S) Therefore Shall Be Disclosed: None.

3.4.2 Replacement of CPA：

Regarding the former CPA：

Replacement Date	November,6,2017		
Replacement reasons and explanations	The original CPAs of the Company were Deloitte & Touche . Due to internal restructuring at firm , the CPAs of the Company were changed to Yi-Hsin Kao (CPA) and Yu-Feng Huang(CPA), beginning January 1, 2018.		
Describe whether the Company terminated or the CPA did not accept the appointment	Parties / Status	CPA The Company	CPA The Company
	Termination of appointment	-	-
	No longer accepted (continued) appointment	-	-

Other issues (except for unqualified issues) in the audit reports within the last two years	None。		
Differences with the company	Yes		Accounting principles or practices
			Disclosure of Financial Statements
			Audit scope or steps
			Others
	None		
	Remarks/specify details:		
Other Revealed Matters	None。		

(I) Regarding the successor CPA：

Name of accounting firm	Deloitte & Touche
Name of CPA	Yi-Hsin Kao、 Yu-Feng Huang
Date of appointment	Nov 06, 2017
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

3.4.3 The Chairman, President, Finance or Accounting Manager Who Has Worked in the Accounting Firm or Affiliates in the Most Recent Year, the Name, Position and the Service Period Shall Be Disclosed: None.

3.5 Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders in Last Year and as of the Date of this Annual Report：

3.5.1 Net Change in Shareholding and Net Change in Shares Pledged by Directors, Management and Shareholders with 10% Shareholding or More：

Unit: Shares

Title	Name	2018		As of Apr. 19, 2019	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman & CSO	Hong, Chum-Sam	96,000	—	—	—
Director&CEO	Pan.Wen-Whe	1,121,528	—	—	—
Director	Lin, Kun-Si	96,000			
Director	Lin,Wen-Yuan	—	—	—	—
Director	Chiang, Wen-Hsing	—	—	—	—
Director	Long deed corporation	223,995	—	—	—
	Delegate: Liu,Kong-Hsin	320,683	—	—	—
Director	National Development Fund, Executive Yuan	16,7145,851	—	—	—
	Delegate: Chiou Yih-Peng	—	—	—	—
Director	United Renewable Energy Co., Ltd	16,7145,851	—	—	—
	Delegate: Chou Chung-Pin	—	—	—	—
Director	Delta Electronics, Inc. Delegate:：Liu,Lan-ford (Resign:Nov,20,2018)	5,555,555	—	—	—
	Delta Electronics, Inc. Delegate:：Albert Chang (Resign:Nov,20 2018,)				
Director	Cdib Capital Group , Delegate：Li,Syue-Li (Resign:March,31,2018)	—	—	—	—
Independent Director	Lin,Xian-Ming (Resign:Nov,20 2018,)	—	—	—	—
Independent Director	Jian,Xue-Ren (Resign:Nov,20 2018,)	—	—	—	—
Independent Director	Che-Hsiung Chen	—	—	—	—

Title	Name	2018		As of Apr. 19, 2019	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
	(Resign:Nov,20 2018,)				
Independent Director	Ming-Jeng, Weng	—	—	—	—
Independent Director	Andrew C. Hsu	—	—	—	—
Independent Director	Cai,Ming-Fang	—	—	—	—
Business President	Shen,Wei-Jiun	78,845	(714,800)	—	—
Business President	Zeng,sheng-cheng	66,705	—	—	—
ice President	Pan,lay-lay	(13,679)	—	—	—
Vice President	Simon Li	38,000	—	—	—
Vice President	Jack Chen	—	—	—	—
Vice President	Wang,Jhong-Lin (Resign:Jan,25,2019)	455,00	—	—	—
Vice President	GONG,JHONG-RONG (Resign:March,8,2019)	48,500	—	—	—
Vice President	Marco Hu	23,500	—	-9,000	—
Vice President	Jorge Tseng	43,600	—	—	—
Vice President	Liou,Wei-Shu	157,211	—	—	—
Vice President	Liou,Mimg-Zong	78,361	—	—	—
Vice President	Huang,Guei-Wu (Resign: Jan ,10,2019)	143,719	—	—	—
Vice President	Ben.Pan	46,622	—	—	—
Vice President	Ms.Yen	5,019	—	—	—
Vice President	Allen Yang	53	—	—	—
Assistant Vice President	CC Lai	51,340	—	—	—
Assistant Vice President	Kt.Ou	468	—	—	—
Assistant Vice President	Chienping.Hsieh	20,850	—	—	—
Assistant Vice President	Andy.Tseng	695	—	—	—
Sr. Director	Rita Yang	—	—	—	—

3.5.2 Shares Trading with Related Parties: None

3.5.3 Shares Pledge with Related Parties: None

3.6 Relationship Information of the Top 10 Shareholders among Who are Related Parties, as Defined in the Statement of Financial Accounting Standard NO.6.：

2018/12/31 Unit: 1,000 shares; %

Name	Shareholding		Shareholding under spouse or underage children		Shareholding under other		Top 10 shareholders among who are related parties		Note
	Share	%	Share	%	Share	%	Name	relation	
National Development Fund under the Executive Yuan	167,145,851	6.40%	—	—	—	—	—	—	—
Yaohua Glass Co., Ltd. Management Committee	167,145,851	6.64%	—	—	—	—	—	—	—
Delta Electronics, Inc	147,382,851	5.85%	—	—	—	—	—	—	—
J.P. MORGAN SECURITIES PLC	37,106,930	1.47%	—	—	—	—	—	—	—
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	33,152,064	1.32%	—	—	—	—	—	—	—
VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	27,499,701	1.09%	—	—	—	—	—	—	—
Norges Bank	27,428,893	1.09%	—	—	—	—	—	—	—
Fubon Life Insurance Co. Ltd.	25,900,000	1.03%	—	—	—	—	—	—	—
CITI BANK TRUST ACCOUNT(DFA Emerging Markets Core Securities Investment Account)	22,983,900	0.91%	—	—	—	—	—	—	—
Credit Suisse TRUST ACCOUNT(iShares Emerging Markets ETF)	22,515,895	0.89%	—	—	—	—	—	—	—

3.7 Total Numbers and Equity of Shares Held In any Single Enterprise by the Company, Directors, Supervisors, Managers and Any Companies Controlled Either Directly or Indirectly by the Company：

2018/12/31 Unit: 1,000 shares; %

Reinvestment	Investment by URE		Investments directly or indirectly controlled by directors, supervisors and managers		Total investment	
	Share	%	Share	%	Share	%
Ultimate Energy Solution Limited	61,930	100.00	0	0.00	61,930	100.00
DelSolar Holding（Cayman）Ltd.	145,126	100.00	0	0.00	145,126	100.00
General Energy Solutions Inc	191,200	100.00	0	0.00	191,200	100.00
NSP Systems (BVI) Ltd.	45,001	100.00	0	0.00	45,001	100.00
GES Energy Middle East FZE	4	100.00	0	0.00	4	100.00
Apex solar corporation	48,500	100.00	0	0.00	48,500	100.00
NSP System Development Corp.	14,420	100.00	0	0.00	14,420	100.00
NSP UK Holding Limited	3,580	100.00	0	0.00	3,580	100.00
Prime Energy Corp	9,000	100.00	0	0.00	9,000	100.00
New Ray Investment Corp	11,500	100.00	0	0.00	11,500	100.00
SOLARTECH JAPAN CORP.	2	100.00	0	0.00	2	100.00
Zhong Yang Corp.	3,500	100.00	0	0.00	3,500	100.00
Huiyang Solar Corporation	3,100	100.00	0	0.00	3,100	100.00
DelSolar Holding Singapore Pte. Ltd.	1,250	100.00	0	0.00	1,250	100.00
Best Power Service Corp	600	60.00	0	0.00	600	60.00
SOLARTECH MATERIALS	1,000	100.00	0	0.00	1,000	100.00
UTECH SOLAR CORPORATION	63,675	98.30	0	0.00	63,675	98.30
Neo Cathy Power Corp. (“Neo	60,000	40.00	0	0.00	60,000	40.00
TSST	97,701	42.12	0	0.00	97,701	42.12
Chairman, V5 Technologies	7,790	41.43	2,001	10.65	9,791	52.08
Gintung energy corporation	13,460	36.38	0	0.00	13,460	36.38
J&V Energy Technology Co. , Ltd	1,050	35.00	0	0.00	1,050	35.00
Sunshine PV Corporation	13,281	19.47	721	1.06	14,002	20.53

IV. Capital Overview

4.1 Capital and Shares

(1)Source of Capital：

Unit: NT$ thousands

Month / Year	Price	Authorized		Authorized		Authorized		
		Shares	Amount	Shares	Amount	Source of capital	Capital increased by assets other that cash	Other
2018/04	10	1,200,000,000	12,000,000,000	1,019,256,480	10,192,564,800	Cancellation of new shares from restricted stock awards NT 94.0 thousands	None	Note 1
2018/08	10	1,200,000,000	12,000,000,000	1,019,138,480	10,191,384,800	Cancellation of new shares from restricted stock awards NT 118.0 thousand	None	Note 2
2018/10	10	3,200,000,000	32,000,000,000	2,183,158,550	21,831,585,550	Merger NT 11.6402 billion	None	Note 3
2018/11	10	3,200,000,000	32,000,000,000	2,517,450,257	25,174,502,570	Private equity NT$33,429thousand	None	Note 4

Note1：The 9 April 2018 Letter No. Science-Park-Listed-Company –1070010291 of Science Park Administration。
Note2：The 22 August 2018 Letter No. Science-Park-Listed-Company –1070024485 of Science Park Administration
Note3：The 18 October 2018 Letter No. Science-Park-Listed-Company –1070029722 of Science Park Administration
Note4：The 2 November 2018 Letter No. Science-Park-Listed-Company –1070031569 of Science Park Administration

(2)Type of Stock

Date: April 19, 2018 (Unit: Share)

Type of Stock	Authorized Capital			Remark
	Outstanding Shares	Unissued Shares	Total	
Common Stock	2,517,450,257	682,549,743	3,200,000,000	Listed Stock

4.1.1 Shareholder Structure

Date: April 19, 2018 (Unit: Share)

Structure	Government Agencies	Financial Institutions	Other Juridical Persons	Foreign Institution & Persons	Individuals	treasury stocks	Total
Number	1	14	471	197	156,634	1	157,318
Ownership (Share)	167,145,851	44,999,017	479,372,800	285,190,828	1,538,811,311	1,930,450	2,517,450,257
Ownership (%)	6.64%	1.79%	19.04%	11.33%	61.12%	0.08%	100.00%

4.1.2 Diffusion of Ownership

Date: April 19, 2018 (Unit: Share)

Shareholder Ownership (Unit: Share)	Number of Shareholders	Ownership (Share)	Ownership (%)
1-999	40,648	6,199,232	0.25%
1,000-5,000	68,650	164,375,768	6.53%
5,001-10,000	20,331	153,838,219	6.11%
10,001-15,000	8,706	109,509,091	4.35%
15,001-20,000	4,891	88,207,072	3.50%
20,001-30,000	5,139	129,118,169	5.13%
30,001-40,000	2,329	82,330,485	3.27%
40,001-50,000	1,678	76,596,745	3.04%
50,001-100,000	2,782	196,128,228	7.79%
100,001-200,000	1,241	174,956,767	6.95%
200,001-400,000	551	151,451,239	6.02%
400,001-600,000	138	66,695,692	2.65%
600,001-800,000	59	41,802,276	1.66%
800,001-1,000,000	38	34,106,409	1.35%
1,000,001 股以上	137	1,042,134,865	41.40%
Total	157,318	2,517,450,257	100.00%

4.1.3 Major Shareholders

Date: April 19, 2019 (Unit: Share)

(V) Major Shareholders	Ownership (Share)	Ownership (%)
National Development Fund under the Executive Yuan	167,145,851	6.40%
Yaohua Glass Co., Ltd. Management Committee	167,145,851	6.64%
Delta Electronics, Inc	147,382,851	5.85%
J.P. MORGAN SECURITIES PLC	37,106,930	1.47%
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total	33,152,064	1.32%
VANGUARD EMERGING MARKETS STOCK INDEX FUND, A	27,499,701	1.09%
Norges Bank	27,428,893	1.09%
Fubon Life Insurance Co. Ltd.	25,900,000	1.03%
CITI BANK TRUST ACCOUNT(DFA Emerging Markets Core Securities	22,983,900	0.91%
Credit Suisse TRUST ACCOUNT(iShares Emerging Markets ETF)	22,515,895	0.89%

4.1.4 Market Price, Net Worth, Earnings, Dividends per Share for the Recent Two Years：

Unit: NT$ dollar

Item / Year			2017	2018	2019/1/1~3/31
Market Price per Share	Highest		17.25	14.7	10.05
	Lowest		12.35	6.49	8.75
	Average		14.05	9.90	9.37
Net Worth per Share	Before Distribution		10.87	9.90	9.63
	After Distribution		10.87	10.87	9.63
Earnings per Share	Weighted Average Shares (thousands)		1,017,105	2,515,759	2,515,759
	Earnings per Share	Before adjustment	(4.08)	(0.34)	(0.26)
		After adjustment	—	—	—
Dividends per Share	Cash Dividends		—	—	—
	Stock Dividend	Retained Earning	—	—	—
		Capital Surplus	—	—	—
	Accumulated undistributed dividends		—	—	—
Return on Investment	Price/Earnings Rate		—	—	—
	Price/Dividend Rate		—	—	—
	Cash dividend Yield		—	—	—

4.1.5 The implementation and policies of the company's stock dividend distribution.

1. Dividend distribution policy established by the article:

   The company shall deduct the amount of accumulated losses from the pre-tax profit before deducting the employee's remuneration and the remuneration of the directors. If there is still earnings remain, the employee shall be paid no less than 3%, and the director's remuneration shall not exceed 2%. The actual amount of the provision shall be determined by the board of directors with more than two-thirds of the directors attend, and more than half of the directors' approval.

   The employee's remuneration shall include employees of the subordinate company that meet certain conditions, and the relevant conditions and methods shall authorize the board of directors or its authorized person to establish.

   The employee's remuneration is issued by stocks or cash, and shall be reported by the board of directors with more than two-thirds of the director's attendance and a majority of the directors' consent.

   If the company's annual final accounts have earnings, they shall first pay taxes and make up for accumulated losses over the years, and secondly withdraw 10% of the remaining earnings as the legal reserve, and to provide or revolve special reserve in accordance with laws or authorities' regulations.

   If there is still earnings remaining, its balance plus the accumulated undistributed earnings of the previous year shall be proposed by the board of directors for distributing shareholders' bonus and submitted to the shareholders' meeting for resolution before being distributed.

   The shareholder dividend is based on the principle of by stock dividends and by cash dividends that match each other, and the cash dividends distributed shall not less than 10% of the total dividends of shareholders.
2. Proposed dividend distribution of shareholders' meeting: None.
3. Expected dividend policy major changes: none.

4.1.6 Employee Bonus and Directors' and Supervisors' Remuneration：

1. The scope or portion of the employee, directors and supervisors' remuneration recorded by the Articles of Incorporation:

   Based on the needs of the company's operations and the maximization of shareholders' equity, the Company shall deduct the amount of accumulated loss from the retention of employees' compensation and the pre-remuneration benefits of the pre-tax profit for the current year. If there is still earnings remain, the employee shall be paid no less than 3%, and the director's remuneration shall not exceed 2%. The actual amount of the provision shall be determined by the board of directors with more than two-thirds of the directors present and more than half of the directors agree.

Employees' remuneration shall include employees of subordinate companies that meet certain conditions, and the relevant conditions and methods shall authorize the board of directors or their authorized personnel to establish.

The employee's remuneration is issued by stocks or cash, and shall be reported by the board of directors with more than two-thirds of the director's attendance and a majority of the directors' consent.

2.The accounting treatment if the actual distribution amount differs from the estimated number of columns, the Calculated based on the number of shares of employees paid by stocks, and the Estimated basis for the compensation for employees, directors and supervisors in this period:

The employees, directors, and remuneration of the company are based on the pre-tax profit of the current year, after deducting the employee's remuneration and the remuneration of the directors, after retaining the accumulated loss. If there is still earnings remain, it shall be estimated according to a specific ratio. After the end of the year, if there is a significant change in the amount of the resolution issued by the board of directors, the change will be adjusted to the original annual fee. At the date of the resolution of the shareholders' meeting, if the amount still changes, it shall be treated in accordance with the accounting estimates and adjusted in the resolution of the shareholders' meeting. If the resolution adopts stocks to issue employee compensation, the number of stock dividends is determined by dividing the amount of the resolution by the fair value of the stock. The fair value of the stock refers to the closing price of the day before the resolution date of the shareholders' meeting and considers the impact of the ex-dividend as the basis for calculation.

3.The distribution of employees and directors' compensation that has been approved by the board of directors, but have not been resolved by the shareholder's meeting: Not applicable.

4.The actual distribution of employees and directors' compensation in the previous year (2016): Not applicable.

4.1.7 Repurchase of Company Shares: NA

4.2 Implementation of corporate bond, special stock, Overseas depositary receipts, employee stock option certificates and mergers or acquisitions of new shares of his company shares：

4.2.1 Implementation of Corporate bond (including overseas corporate bond)：

(1) Unpaid and processed corporate bonds

Date: March 31, 2018

Corporate Bonds		The third overseas guarantee conversion company bond
Issuing (handling) date		October 27, 2016
Denomination		US$ 100,000 or an integral multiple thereof
Issuing and transaction location		Issued place: Issued outside the Republic of China and outside the United States Trade place：Singapore Stock Exchange
Issue price		ssued at 100% of the denomination amount.
Total amount		US$ 120,000 thousand
Interest rate		Denomination rate: 0%
Term		Three year, expire date is October 27, 2019
Guarantee Agency		ING Bank N.V., Taipei Branch
Consignee		Citi International Co., Ltd.
Underwriting institution		Abroad: Daiwa Capital Markets Hong Kong Limited At home: KGI Securities Co.,Ltd.
Certified lawyer		None
CPA		None
Repayment method		In addition to the holder of this conversion debt is converted into the ordinary shares of the company in accordance with Article 14 of the conversion and issuance of corporate bonds, the bondholders sell back under Article 12, the company redeems in advance by Article 13, and the company buys back the cancellation in accordance with Article 15, on the maturity date of the bond, the issuing company will redeem the bond in US dollars based on the denomination of the bond plus the annual interest rate of 0.75% (calculated every six months).
Outstanding principal		US$120,000 thousand (Conversion rate:1: 31.74) NT$3,808,800 thousand
Terms of redemption or advance repayment		According to Articles 12 and 13 of the Company's third overseas guarantee conversion corporate bond issuance and conversion measures.。
Restrictive clause		According to section 8 of the Article 14, and Article 16 of the Third Overseas Guaranteed Conversion of Corporate Bonds and Conversion Measures of the Company.
Name of credit rating Agency Rating date Rating of corporate bonds		None
Other rights attached	As of the printing date of this Annual Report mount of	As of March 31, 2019, a total of NT$0 has been converted into common stock, and a total of 0 shares of common stock have been converted.

Corporate Bonds		The third overseas guarantee conversion company bond
	(exchanged or subscribed) ordinary shares, GDRs or other securities converted	
	Issuance and Conversion (exchange or subscription) method	Please refer to the regulation of the third overseas guaranteed conversion company issuance and conversion of the company.
Issuance and conversion, exchange or subscription method, issuing condition dilution, and impact on existing shareholders' equity		The company's third overseas guaranteed conversion of corporate bonds as of the end of March outstanding principal of US$120,000 thousand conversion of corporate bonds divided by the current conversion price of NT$18, is expected to be convertible 211,600 thousand shares accounted for 20.76% of the total issued shares (Notes.)
Transfer Agent		None

Notes: Calculated in 2,517,450,257 shares as of the 2019 regular shareholders' meeting book closure date (April 19, 2019) of the company.

(2) Repurchase of Company Shares： NA。

(3) Convertible Bonds:：

Corporate bond type		he third overseas guarantee conversion company bond	
Item / Year		2018	Current year until March 31, 2019
Market price of the convertible bond	Highest	102.151	100.131
	Lowest	93.641	98.550
	Average	97.473	99.008
Convertible Price		NT$ 18	
Issue date and conversion price at issuance		October 27, 2016 / NT$ 18	
Conversion methods		Issuing new shares in accordance with the provisions of regulations	

(4) Those who have issued exchange corporate bond, and matters that shall be disclosed: None.

(5) Those whose company decare in shelf registration to raise or issue common corporate bond, and matters that shall be disclosed: None.

(6) Those who have issued bond with warrant, and matters that shall be disclosed: None.

(7) Implementation of private offering corporate bond for the recent three years as of the date of the annual report had been printed: None.

4.3 Status of Preferred Stocks：NA

4.4 Status of GDR Issuance：NA

4.5 Status of Employee Stock Options：NA

4.6 Status of New Shares Issuance of Restricted Stocks for Employees:

(1) Issuance of Employee Stock Options

Date: March 31, 2019

Type of the Restricted Stock Award	The 4rd Employee's Restricted Stock Awards (Former name：Neo Solar Power Energy Corp)	The 3rd Employee's Restricted Stock Awards (Former name：Solartech Energy Corp)	Employee's Restricted Stock Awards , 2016 (Former name：Gintech Energy Corporation)
Effective date of declaration	August 09,2017	December 12,2016	January 11,2017
Issuing date	September 30,2017	October 27,2017	May 26,2016
Number of the new issuance of restricted stocks	1,855,000 shares	4,896,450 shares	2,780,000 shares
Offering Price	NT$0	NT$5	NT$0
Ratio of the number of new shares issued to the total number of shares issued	0.07%	0.19%	0.05%
Terms and conditions of the employees' restricted stocks	If the employee's physical performance of each year reaches the following standards during the vested period: A. The employee who still serve in the company within one year from the issued date, and his/her performance result is excellent in the year of the issued date, he/she will be vested 50% of the issuance of new restricted employee shares. B. The employee who still serve in the company within two years from the issued date, and his/her performance result is excellent in the following year of the issued date, he/she will be vested 50% of the issuance of new restricted employee shares.	The employee who has severed over three years in the company during the period of acquiring the issuance of new restricted employee shares, and his/her period performance reaches 甲等 (include) or above, can be vested 100% of the new restricted employee shares.	(1) The employee that still serve in the company within one year from the date of the offering, and has reached the performance standard on current year of the date of the offering, which will be vested 50% of the new restricted employee shares in turn. (2) The employee that still serve in the company within two years from the date of the offering, and has reached the performance standard on the following year of the date of the offering, which will be vested 50% of the new restricted employee shares in turn.
Restriction on the rights associated with employees' restricted stocks	The shares allocated or subscribed by the employees do not have ownership of their shares before the vested conditions are fulfilled, ie they may not be disposed of, pledged, transferred, donated to others, set, or other disposal.	1. The shares allocated or subscribed by employees shall not be sold, pledged, transferred, donated, set or otherwise disposed of by the employees of their shares until the vested conditions are fulfilled. 2. The issuance of new restricted employee shares has the right to participating in stock dividend distribution, and the acquired distributed dividend is not subject to the vested period. The distributed dividend will be paid from the trust account to the employee's account within one month of the issue date. 3. The employee's proposal, statement, voting rights, and other relevant shareholders' equity before the employee's failure to meet the vested conditions are entrusted to the trust custodian institution to act on their behalf. 4. After the issuance of new restricted employee shares, it shall be delivered to the Trust immediately and shall not be returned to the Trustee for any reason or manner until the vested conditions are fulfilled.	During the vested period, employees may not sell, pledge, transfer, donate, set, or other ways of disposal of new shares of employees.

Type of the Restricted Stock Award	The 4rd Employee's Restricted Stock Awards (Former name：Neo Solar Power Energy Corp)	The 3rd Employee's Restricted Stock Awards (Former name：Solartech Energy Corp)	Employee's Restricted Stock Awards , 2016 (Former name：Gintech Energy Corporation)
Custody of the employees' restricted new shares	The company represented the employee to sign a contract of trust deed with the stock trust custodian institution. The attendance, proposal, speech and voting rights of the shareholders' meeting are all executed by the trust custodian institution in accordance with the contract.	Restricting employee's rights after the issuance of new shares, it shall be delivered to the trust custodian, and the company shall be the sole agent of the employee and the stock trust institution to conduct negotiations, signing, revision, extension, termination, termination, and delivery of the trust property, including, but not limited to, the trust deed, Use and disciplinary instructions.	Conducted by the company's full-fledged employees and stock trusts (including but not limited to the negotiation, signing, revision, extension, termination, termination of the trust deed, and the delivery, use and disposal instructions of the trust property.
Handing of employee's failure to meet the vesting conditions	The stock dividends and cash dividends obtained by employees during the vested period, the company gives employees free of charge, but the vested rights of new shares are not yet vested in the following ways: 1. Retirement: Retirement and application for retirement in the most recent year, the outstanding performance of the applicant, has not yet vested to the issuance of new restricted employee shares, employees can be fully vested on the effective date of retirement; if the outstanding, not yet vested to the issuance of new restricted employee shares, the company shall purchase with the issued price. 2.Resign: The vested person has not yet vested in the issuance of new restricted employee shares, and the company shall purchase with the issued price. 3. Persons with disabilities, death or general death due to occupational disasters: 4. Those who are unable to continue to serve due to physical disabilities due to occupational disasters, have not yet vested in the issuance of new restricted employee shares, and employees can be fully awarded when they leave their posts. 5. Those who have died or are generally deceased due to occupational disasters have not yet acquired the rights to new shares of employees and are considered to be fully vested. The successor has completed the necessary statutory procedures and provided relevant supporting documents to apply for receiving the shares or the interests it has inherited. 6. Transferred to the enterprise: Due to the operation of the company, the employees of the company must be transferred to the company's affiliated companies or other companies as approved by the company, and the company has not yet acquired the rights of employees.	The treatment of failing to achieve the vested conditions: (1) Voluntary in resign, expulsion, and severance: A. The new shares that have not yet been vested to limit employee rights, the company shall purchase from the employee with the issued price. (2)Retirement: A. New shares that have not yet been vested to limit employee rights are considered to be fully vested on the day of retirement. (3) Disability, death or general death due to occupational disaster: A. Those who are unable to continue to serve due to physical disability due to occupational disasters, and have not yet acquired the rights to new shares of employees, are deemed to be fully vested on the effective date of quit. B. Due to occupational disasters or general deaths, there is no vest of the issuance of new restricted employee shares. On the employee's death day, the heirs are deemed to have all the vested rights. (4) Leave of absence: A. The employees who have been absent from the work due to the duty, they have not yet vested in the new rights of employees. Those who have been reinstated before the expiration of the issuance of new restricted employee shares are all vested; those who have not reinstated have obtained vested after reinstatement. B. If the employee is not absent from the work due to the duty and has not yet obtained the employee's rights and new shares, the company shall purchase from the employee with the issued price. (5) Transfer: A. The employee that transfer due to the duty, there is no vested limit on the rights of employees. In the case of new employees who are entitled to limit the rights of employees, they will still be employed in the transfer unit. All of them will be resigned, and those who leave after the transfer will be treated as the employees who leave the company. B. The employee that transfer is not due to the duty, there is no vest of the issuance of new restricted employee shares. The company should buy employees from the issue price at the issue price. (6) The company will cancel the issuance of new restricted employee shares purchased or withdrawn by the company. (7) Before the unfulfilled vested condition, the employee terminates or dissolves the agency authorization of the	1. The treatment of the employees that dose not reach the vested conditions: (1) Those who have voluntarily resigned, expulsion, severance, retired, leave of absence, or transferred to an affiliated company within two years from the date of the offering, they have previously been allocated (the year) shares that have not yet been acquired, and the company shall take back from the employee without compensation. (2) If the performance of the year does not reach the standard within two years from the date of the offering, it will be allocated the shares that have not yet been vested in the current year, and the company will take back without compensation from the employees. (3) Allotment of interest allotted during the vested period: the company shall give the employees without compensation. (4) Before the vested conditions have been accomplished, the employee terminates or dissolves the agency authorization of the company in violation of the provisions of section 7 and 8 of the Article, and the company takes back without compensation. 2. When the following reasons occur, the new shares that have not yet been restricted to employee rights are treated as follows: (1) Those who are unable to continue to serve due to a physical disability caused by an occupational disaster, you have not yet vested in the issuance of new restricted employee shares. From the effective date of the resignation, the employees can all be vested. (2) Those who die or are generally deceased due to occupational disasters have not yet vested in the issuance of new restricted employee shares. When employees die, they have not yet acquired the rights to new shares of employees, which is considered to be all vested. The successor is required to complete the statutory necessary procedures and provide relevant supporting documents to apply for the rights to be inherited or subject to disposal.

Type of the Restricted Stock Award	The 4rd Employee’s Restricted Stock Awards (Former name：Neo Solar Power Energy Corp)	The 3rd Employee’s Restricted Stock Awards (Former name：Solartech Energy Corp)	Employee’s Restricted Stock Awards , 2016 (Former name：Gintech Energy Corporation)
		company in violation of the provisions of section 6 of the article. The company shall buy from the employee with the issued price.	
Number of the retrieved or bought shares of the employees’ restricted shares	405,000 shares	1,737,450 shares	455,920 shares
Number of new shares that have been released from restricted rights	821,500 shares	0 shares	1,269,765 shares
Number of new shares that have not yet been released from restricted rights	628,500 shares	3,159,000 shares	1,054,315 shares
Ratio of the number of new shares outstanding to the total number of shares issued (%)	0.02%	0.13%	0.04%
Effect on shareholders' equity	The number of shares that have not been restricted is only 0.17% of the number of issued shares, so the overall assessment shall have no significant impact on existing shareholders' equity.	None	The maximum dilution ratio of the original common shareholders' equity is 0.18%, the dilution effect is limited; thus, there is no significant impact on shareholders' equity. In addition, this issue can attract and retain the scientific and technical professionals required by the company, and enhance employees' sense of unity and belonging to the company, jointly create the interests of the company and shareholders, and have a positive impact on shareholders' equity.

Notes: Calculated in 2,517,450,257 shares as of the 2019 regular shareholders’ meeting book closure date (April 19, 2019) of the company.

(2) he name and acquisition of the top 10 employees who acquired the number of shares and the status of the acquisition, and the manager who acquired the restriction of employee’s rights of issuance new shares accumulated as of the date of annual report had been printed：

March 31, 2019 Unit: share/ NT$

	Title	Name	No. of Stock Options	Stock Options as a Percentage of Shares Issued	Exercised				Unexercised			
					No. of Shares Converted	Strike Price (NT$)	Amount (NT$ thousands)	Converted Shares as a Percentage of Shares Issued	No. of Shares Converted	Strike Price (NT$)	Amount (NT$ thousands)	Converted Shares as a Percentage of Shares Issued
Manager	Chairman & CSO	Syu,Jia-Cheng	1,458,000	0.06%	617,850	0 ~5	6,178,500	0.02%	664,950	0 ~5	6,649,500	0.02%
	CEO	Pan.Wen-Whe										
	Business President	Andy Shen										
	Business President	Zeng,Sheng-Cheng										
	Senior Vice President	Marco Hu										
	Senior Vice President	Liou,Ming-Zong										
	Vice President	Simon Li										
	Vice President	CC Lai										
	Vice President	Pan,lay-lay										
	Vice President	Liu,Wei-Shu										
	Vice President	Ms.Yen										
	Vice President	Pan,Guo-Bin										
	Vice President	Huang,Gui-Wu (resign)										
	Vice President	Zeng,Jian-Hua										
	Vice President	Gong,Jhong-Rong (resign)										
	Vice President	Wang,Zhong-Lin (resign)										
	Assistant Vice President	Ou,Nai-Tian										
	Assistant Vice President	Chienping.Hsieh										
	Assistant Vice President	Tim.Wan										
	Assistant Vice President	Andy.Tseng										
	Assistant Vice President	Allen										
	Sr. Director	Huang,He-Cing (resign)										
Staff	Director&Strategic Advisory	Lin, Kun-Si	758,500	0.03%	217,500	0 ~5	2,175,000	0.008%	241,000	0 ~5	2,410,000	0.009%
	Special Assistant	Sun,Jhih-Jhong (Resign)										
	Sr. Director	Song,Siao-Wei (Resign)										
	Sr. Director	Jhuang,Shang-Yu										
	Senior Director	Syu Jheng										
	Director	Wang,Da-Syong (Resign)										
	Director	Huang,Yi-Syuan (Resign)										
	Director	Chen,Kai-Lin (Resign)										
	Director	Frank Lin										
	Factory Sub-Chief	KC Lin										

4.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions：

1. The completion of issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies for the recent year as of the date of the annual handbook had been printed: None.
2. If, for the recent year as of the date of the annual handbook had been printed, the board of directors has approved any issuance of new shares in connection with a merger or acquisition or with acquisition of shares of any other company, the annual report shall specify its implementation situation or the information of merged or acquired company. The handling of issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies, the annual report shall specify the implementation and the impact on the shareholder’s rights.

The company and the following two solar cell manufacturing companies had signed a merger contract on January 29, 2018, and the special shareholder's meeting of three companies had resolved to approve the merger on March 28, 2018, the tentative consolidation base date is October 1, 2018.

Unit: NT$ thousand

Company Name	GIN	SEC
Company address	No. 21, Kebei 1st Rd., Zhunan Township, Miaoli County 350, Taiwan (R.O.C.)	No. 16, Guangfu N. Rd., Hukou Township, Hsinchu County 303, Taiwan (R.O.C.)
Person in charge	Pan ,Wen-yan	Liu,Kong-Hsin

Paid-up capital		5,215,505	3,756,644
Main business items		Solar battery	Solar battery
Main products		Solar battery	Solar battery
Financial statements for the recent year	Total amount of assets	17,118,834	11,061,291
	Total amount of liabilities	6,304,390	4,160,077
	Total amount of shareholders' equity	10,814,444	6,901,214
	Operating income	14,306,211	6,282,383
	Operating gross profit	(758,637)	(508,299)
	Operating profit and loss	(1,412,149)	(930,474)
	Current profit and loss	(1,492,598)	(931,260)
	Earnings per share	(2.93)	(2.51)

Implementation situation and impact on shareholders' equity: Currently, the approval letter from the Taiwan Fair Trade Commission, overseas antitrust authorities (including the Ministry of Commerce and Germany), and the Hsinchu Science Park Management Bureau of the Ministry of Science and Technology has been acquired, and it is proposed to prepare documents to submit a merger application to the stock exchange and the Financial Supervisory Commission. The expected benefits of the merger include expanding the scale of operations, concentrating research and development resources, enhancing product mix competitiveness and gross profit margin, deepening vertical integration and expansion of the seaport, effectively expanding the international high-end market, and improving fundraising capacity and financial structure, which all have positive impacts on shareholder’s rights.

4.8 Financing Plans and Implementation：

4.4.1 Finance Plans：The company issued 334,291,702 shares of common stock by private placement The total amount of the private placemen was NT $2,781,306,962。To invest inhigh-efficiency products, expand production capabilities,obtain the ability of module production, to develop systemsand relevant new fields of businesses, and/or to satisfy thefunding demands of the Company's long-term development inorder to raise the surviving company's corporate competitivenessand profitability; and to ensure the sustainable growth ofthe surviving company's business and to bring positive impacton shareholders' rights and interests.After capital increase, it would improve the financial structure, business operation and development, and benefit to the shareholders’ equity.

4.4.2 Implementation：By 2018, March 31，This Private fund has been spent NT$ 282,129 thousands 。

V、Bussiness Activities

5.1 Business Scope：

5.1.1 Business Scope：

1. Main content of the business:：

(1) CC01080 Electronic Parts and Components Manufacturing.
(2) CC01090 Batteries Manufacturing.
(3) CC01010 Electric Power Supply, Electric Transmission and Power Distribution Machinery Manufacturing.
(4) IG03010 Energy Technical Services.
(5) F119010 Wholesale of Electronic Materials (restricted to operate outside area.)
(6) F219010 Retail Sale of Electronic Materials(restricted to operate outside area.)
(7) F401010International Trade.
Research, develop, design, manufacture and sale the following products:
(1) Solar cells and related systems.
(2) Solar power module and wafer.
(3) Running side business of import and export trade business related to the company's products.

2. Revenue distribution：

Unit: NT$1000

Revenue distribution / Major Divisions	2018	
	Total Sales	(%) of total sales
Photovoltaic Module	7,190,802	55.38%
Solar Cell	3,315,166	25.62%
Power plant	2,079,185	16.01%
Others	398,767	3.07%
total	12,983,920	100.00%

3. Current product item (please marketing update)

(1) Polycrystalline germanium solar cell 156.75mm x 156.75mm (6”)。
(2) Single crystal germanium solar cell 156.75mm x 156.75mm (6”)。

4. The new products that planned to be developed

New structural high-efficiency polycrystalline germanium solar cell.

5.1.2 Industry overview：

1. Industry status and development

Basically, the solar industry can be divided into two aspects: product manufacturing, system installation and, service supply, and power and energy demand. In terms of the supply side of product manufacturing, taking crystalline germanium products as an example, there are manufacturing industries of polycrystalline germanium, germanium wafers, batteries, modules, inverters, etc. from upstream to downstream. Concerning the supply side of system installation and service, it can be divided into development, system design, installation, operation, and related financing service industry. The demand for electricity and energy is to compete with thermal power generation or other forms of power generation in the retail electricity market and the electricity market.
In terms of supply side, the main cost structure of a crystallization solar power system can be approximated by the following figure:

<table>
<tr><td>Solar energy system</td><td>Module</td><td>Cell</td><td>Silicon chips</td><td>Polycrystalline germanium</td></tr>
<tr><td rowspan="6"></td><td rowspan="3"></td><td rowspan="2"></td><td></td><td>Other</td></tr>
<tr><td colspan="2">Conductive gum, etc.</td></tr>
<tr><td colspan="3">Package mold, junction box, glass, aluminum frame, etc.</td></tr>
<tr><td colspan="4">Inverter</td></tr>
<tr><td colspan="4">Other balance systems (BOS), etc.</td></tr>
<tr><td colspan="4">Development, system design, installation, operation, etc.</td></tr>
</table>

Schematic diagram of the main cost structure of solar power generation system (not drawn according to cost size proportion)

The battery components in the solar module are the most critical core for converting light energy into electrical energy. As far as the technical distinction is concerned. Currently, the crystallization enthalpy (which is single crystal germanium and polycrystalline germanium) solar products (batteries and modules) have become the mainstream products of the solar market due to good conversion efficiency, high stability, and mature value chain. Among them, single crystal germanium has high quality and high battery process requirements. The conversion efficiency of high-efficiency crystal cells can reach more than 22.5%, and the price is also high. It is mostly used in roof type or other niche markets. The substrate size of polycrystalline germanium is slightly loose, and the conversion efficiency can reach 19.4%. However, due to the low profit, it has gradually signed off the market.
In terms of the thin film solar products, cadmium telluride (CdTe) and copper indium gallium selenide (CIGS) become mainstream currently while Amorphous germanium (α-Si) has gradually withdrawn from the market. In the past two years, although the conversion efficiency has repeatedly made breakthroughs, it still fails to achieve the advantage of cost performance, and the market application and development are relatively limited.

In recent years, the Taiwan government has actively promoted renewable energy. To achieve the goal of “non-nuclear homes,” sun optoelectronics has to be built up 20 GW of installed capacity in 2025 and launched a two-year plan for solar photovoltaics with a target of 1.52 GW in 2016. By 2018, the number of solar photovoltaic devices in Taiwan has reached 13.7%. According to Taiwan’s Ministry of Economic Affairs’ solar photovoltaic two-year plan. By the end of June 2018, the roof type 1320MW and the ground type 70MW have been completed, with a total installed capacity of 1.39GW, and there is still room for growth. Therefore, when facing the rise of emerging markets in the future and the awareness of domestic solar installations, Taiwanese companies can effectively promote industrial development with technology and excellent geographical location.

As the industrial environment has changed, China has become the largest market for the global solar industry, and the overall demand increment has opened the distance between China the second largest market - the United States, which means that the average increment in demand in other global markets is far less than the average increment in the Chinese market. Also, China is also the largest supply chain for the global solar industry, with solar modules accounting for more than 70% of the global market. After comprehensively evaluated the supply chain and demand dynamics, China has become the mainstream trend of global solar energy supply and demand. Therefore, the solar industry's dominance will gradually shift to the downstream, while Taiwan's solar cell factory will be shipped to the terminal market through module manufacturers such as China, Japan and the United States in the lack of module brands and terminal systems, or launching own brand modules, or deploy overseas system development through the establishment of subsidiaries or cooperate with foreign local system developers, or by expanding the expected planning of the domestic demand market, to cut into the downstream market and seek opportunities for industrial upgrading.

Concerning the demand, in many countries, solar power generation costs are already lower than the price of the consumer-end retail power market, making solar-powered self-use an economic incentive. In the electricity industry liberalization market, business opportunities for community-based solar power plants and distributed solar power plants have also been established within the scope permitted by regulations. Plus the financial innovation of the US-based market as a catalyst, lowering the threshold for owning solar power systems, which also makes investing in solar power plants a stable and profitable option, attracting institutional investors and various funds to compete for solar power plants as long-term investments, and the banks are more willing to provide financing and facilitate transactions, developers actively develop solar power plants and thus create product demand with the sea gate, solar energy demand will possibly continue to grow steadily.

2. The relevance between up, middle and downstream:
The industrial chain of solar cells can be divided from top to down: upstream: raw materials and wafers; midstream: batteries and modules; downstream: system vendors, distributors and peripheral parts suppliers, please refer to page 38 of the Chinese annual report.

3. The development trend of products
The future development trend of solar products and application and their reasons are as follows:
A. Continue to improve conversion efficiency: The subsidies for main mature solar markets such as Japan, Germany, and the United Kingdom are tilted toward roof-type and self-use requirements, while roof-type and self-use models have always had higher standards for conversion efficiency.
B. Continue to reduce construction costs: With the gradual downward adjustment of policy subsidies, solar power costs must be able to compete with traditional energy sources so that the advantages can be obtained.
C. Combined energy storage system: With the continuous decline of the cost of energy storage systems, in the market of high electricity prices or high penetration rate of solar power generation, the combined energy storage system has appeared. By making full use of the opportunity of low-cost

solar energy advantages, the market share will be further pushed up by the complementarity between the two previously mentioned.

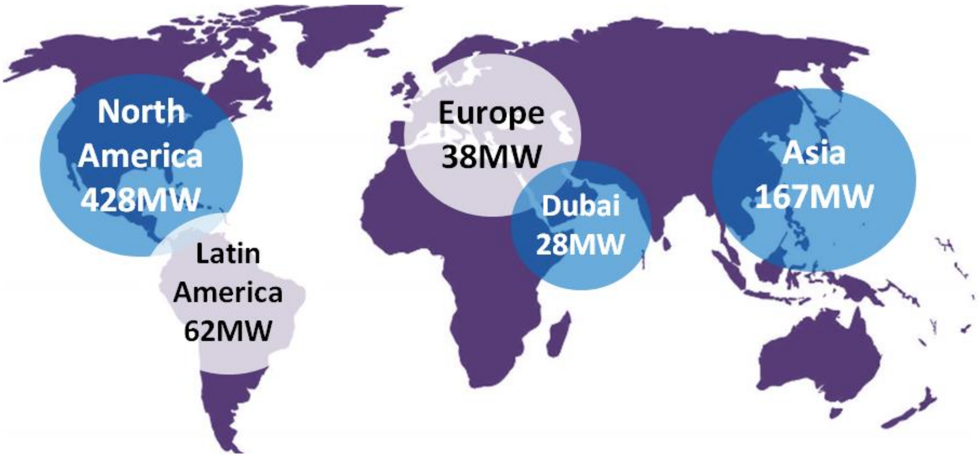
4. Competitive situation

In the past few years, The overall solar industry continues to be affected by oversupply caused by the rapid expansion of Chinese manufacturers and the decline in the average selling price of products. The operating environment is quite hard. Additionally, the main purchasing countries that purchased solar products, such as European and American manufacturers, have successively went bankrupt or even withdrawn from the market due to high operating costs, enabling countries such as Europe and the United States to implement trade barriers to China's solar energy products, and accelerate the global reshuffle of the solar photovoltaic industry chain. Particularly under the support of national policies, Chinese solar energy manufacturers can still get bank support to maintain employment rate even if they are even more bankrupt than their operations. For example, in 2013, China'sSuntech Power, a global solar leading factory, as well as the bankruptcy of LDK in 2015, almost all of the banks that supported the manufacturers recognized the losses, and the bankrupt company's original production capacity would not appear; instead, the new takeovers had gotten huge capacity at very low cost. They had quickly entered the market in a more cost-competitive manner, thereby maintaining market share and even maintaining employment. As a result, the previous cross-strait division model of Taiwan's special-purpose solar cells and mainland-specific solar modules has disappeared. Mainland China has expanded its vertical integration scale due to its large domestic demand market, and the battery capacity of the company and other Taiwanese peers becomes standby capacity. Unless the mainland China manufacturers have their production capacity or unique products cannot be produced; otherwise, there is no need to purchase solar cells from Taiwanese manufacturers.
China's technique has become more and more mature, and the production cost of mainstream polycrystalline products is extremely low and competitive, which has pressured the living space of battery factories in Taiwan. Therefore, the company decided to quickly adjust the company's organizational restructuring and business transformation, and will emphasize on the downstream solar system companies in the future with the higher profitability, the use of financial management focuses on the law advantages of Taiwanese manufacturers. Looking forward to the world market, the company will no longer head-to-head the Chinese supply chain in terms of production scale and cost.

The company will no longer compete for the expansion of production capacity; instead, the company will actively invest resources in high-conversion efficiency products in research and development. For example, the single-crystal PERC (back-pole passivated) battery, Taiwan's PERC capacity is expected to increase from 1GW to 1.5GW for the next year. The whole URE, including overseas battery, the capacity will be 2.5GW and cut into the next generation of N-type HJT battery products to construct competitive barriers to ensure technological leadership. Furthermore, Taiwan's module capacity has increased to 500MW to match the expanded Taiwan domestic demand market.

The company is actively engaged in the development of the downstream solar power plant business. In the past five years, URE has established the core competence of global power plant development, construction, sales, and financial financing. So far, the entire group has completed the completion of about 200MW, and the current global system pipeline has reached 1GW. In 2016, the company jointed venture with Cathay Life Insurance Company, Ltdto establish Neo Cathy, initially investing NT$1.5 billion. Besides, URE also invested approximately US$50 million to cooperate with overseas teams to establish an independent power producer (IPP: Independent Power Producer) CFY. CFY in 2017, the company completed the development of a commercial solar power plant in the US Greenskies project with a total scale of 225 MW. The power plant was mainly located in the commercial roof and municipal unit roof of the United States. Moreover, there was a small number of ground-based power plants, in a total of 225 MW, plus CFY's original power plant, make CFY's power plant more than 280 MW (including operating, construction, and upcoming power plants.) The original developer of Greenskies project GRE still has nearly 350MW of project pipelines. CFY has not only controlled 165MW among which, but also obtained the priority development right of GRE's future source. In addition to continuing to deepen the US market, CFY will simultaneously expand the development and acquisition of global power plants and promote the company's IPO listing in Hong Kong to support the continued construction of the URE's global power plants.

URE Group Projects around the world (till 2019 Q1)



In the future, the company will continue to develop forward-looking technologies, reduce manufacturing costs and maintain customer trust as the essentiality to competition and profitability, and actively respond to the national solar photovoltaic subsidy policy and adjust the market development trend. Also, the company continues to promote all types of renewable energy to replace traditional energy and strive to achieve the goal of green energy profitability and sustainable management.

(3) Techniques and Research and Development Overview:

1. Technical level and research development of the operating business

The company has introduced industry-leading products over the years, such as Super19, which produces up to 20.0% of the conversion efficiency of the polycrystalline series; the single-chip series has the highest conversion efficiency of 21.9% of the "Black 21," and the P-type double-sided battery "Glory-BiFi" with a maximum conversion efficiency of 21.9%. NSP adhered to the excellent research and development capability, which has won the affirmation of the 2018 Energy Bureau Energy Award of the Ministry of Economic Affairs, and it was the only company that had won this award for six consecutive years. The company actively carried out product research and development. In 2015, the new product "Black 21" was launched. In 2017, the highest conversion efficiency of the mass production could reach 21.8%, and the 60-cell module wattage reached 320 watts. At the end of 2020, the company plans to introduce a heterojunction battery with a conversion efficiency of up to 24.5%. It is expected that the wattage of 60-cell modules can reach 330 watts. In addition to providing customers with excellent battery efficiency and high wattage module products, the company is committed to improving the performance of photoinduced attenuation (LID) and voltage induced attenuation (PID). The single crystal "Black 21" battery has a LID of less than 3% and a module product of less than 2%, which is better than the industry average. In addition, the company is also actively cooperating with domestic and foreign research institutions and prudently technical alliances with domestic and foreign players. In terms of the protection of intellectual property, the company patented essential techniques. As of the end of 2018, 183 patents have been obtained, and several patents have been applied simultaneously.

2. Research and Development Expenses by the Central Research Institute (CRI) in the Past Two Years

Unit: NTD $1000

Year	2017	2018
Research and Development Expenses	266,224	211,737

3. The successfully developed techniques or products for the recnt year as of the date of the annual handbook had been printed

Year	Research and Development Results
2017	1. Improve the "Black21" battery efficiency, the highest conversion efficiency of mass production can reach 21.8%, the estimated 60-cell module wattage can reach 320W, and the high-wattage "PEACH" series module for cutting battery type, The maximum wattage is up to 330W. 2. Improve the "Super19" battery efficiency, which mass production up to 20.0%. 3. Improve the efficiency of "BiFi" battery, the mass production can reach up to 21.7%, and the equivalent wattage of 60-cell double-glass double-sided power generation module can

Year	Research and Development Results
	reach 340W. 4. Developed a new heterojunction cell, Hello22, with a conversion efficiency of over 22.5% and a 60-cell module wattage of 325W. 5. The company was awarded "Taiwn EXCELLENT PV"for five consecutive years and Taiwan Excellence Award. Simultaneously obtained the highest wattage certification (BSMI PV Taiwan Plus) from the Ministry of Economic Affairs, and was the only solar manufacturer that won the three major awards of the Ministry of Economic Affairs. 6. The company was the first company in Taiwan that passed the German TUV Lain 2016 new IEC certification. 7. The company was the only Tier 1 in Bloomberg New Energy Finance (BNEF) in Taiwan, which was also listed in the international energy financing (bankability) index, and passed the PVEL (PV Evolution Labs) product certification test of the US independent solar photovoltaic module test laboratory. 8. In the latest version of the module reliability score report of 2017, it was praised as the top module manufacturer by DNV GL with excellent results.
2018	1. Improve the efficiency of the "Black 21" battery, with a maximum conversion efficiency of 21.9%. The 60-cell module has a wattage of up to 320W, and the high-wattage "PEACH" series module for the cut-off battery type has a maximum wattage of 330W. 2. Improve the efficiency of "BiFi" battery, the highest conversion efficiency of 21.9%, 60-cell Glory BiFi double-sided power generation module wattage up to 340W. 3. Awarded the 2018 Taiwan Excellence Award. 4.URE is the only one of the three solar energy manufacturers that won the three major awards of the Ministry of Economic Affairs, the Taiwan Excellence Award, and the BSMI PV Taiwan Plus. 5. The first company in Taiwan used of 2.5mm glass through the US UL fire rating ClassA test. 6. Established "The first P-type double-sided double-glass roof solar power station in Taiwan" in Guantian, Tainan, opened in February, 2018. 7. Acquired exclusive supply of Taiwan Power Company in Changhua Coastl's new solar photovoltaic project in Taiwan - 100MW, which was the Taiwan No.1 double-glass double-sided solar energy field.

5.1.3 Long-term and short-term business development plans：

1. Short-term development plan:

A. Marketing Strategies:

a. Enhance overall profitability through differentiation of company image and product excellence.

b. Strengthen the company's image through the affirmation of a fair and a well-known third-party verification unit and strengthen the customer's after-sales service.

c. Actively expand its market share with high quality and high conversion efficiency products.

d. Actively participate in industrial activities such as related business exhibitions and seminars at home and abroad, and reinforce interaction with downstream manufacturers at home and abroad to enhance good communication and communication between industries.

B. Development strategies:

a. Optimize existing capacity to meet supply needs.

b. Advanced products quality to meet the demand of classifying products.

c. With the company's high-quality batteries and modules, developing and expanding the seaport to the downstream system.

d. Strengthen supply chain management and continuously reduce the cost of raw materials and equipment.

e. In addition to the original power plants in Europe, America and Japan, the company will expand its business to Central and South America and the Middle East to build a global solar power plant network.

f. Cooperate with the government's green energy policy to increase the construction of the Taiwan system, which makes the company has the most complete layout in the middle and lower reaches of the solar energy supply chain.

C. Product development direction:

a. Through the process integration and optimization to improve the conversion efficiency of the battery, it is estimated that the highest conversion efficiency of the "Black 22" monocrystalline battery will be increased to 22.1% in 2019. The maximum conversion efficiency of the 120-cell PEACH module 335W and BiFi P-type single crystal double-sided battery is increased to 22%, and the front wattage of the double-glass double-sided power generation module is 315W, and the equivalent wattage is 345W.

b. Reduce costs.

2. Medium and long term development plan:

A. Marketing strategies:

a. Committed to promoting strategic alliances in the upper, middle and downstream, to ensure a sound industrial chain and marketing network.

b. Sign a long-term cooperation contract with downstream manufacturers to consolidate the customer base for sustainable operation.

c. Virtual Supply Chain Integration, perfect global production and service layout.

d. Maximize solar system power generation efficiency by matching and developing energy storage devices.

3. Plan of research and development:

B. Development strategies:

a. Adjust production capacity comply with the market demand and actively expand terminal system to cultivate the sea gate, to expand the seaport and maintain the long-term competitiveness of the company.

b. Improve yield and conversion efficiency。

c. Improve production quality.

d. Reduce costs.

e. Actively engage in patent layout, build barriers to competition, and ensure medium- and long-term competitive advantages.

C. The direction of product development:

a. Research and develop new and the next generation (P/N) solar cells.b.

b. Continuously update processes, develop high conversion efficiency products, and improve conversion efficiency of solar cells.

c. Continuously cooperating with materials manufacturers to develop high-quality and long-lasting weather-resistant modules, combined with high-performance single/polycrystalline batteries to form a complete green energy solution provider.

5.2 Market and production and sales overview

5.2.1 Market analysis

1. Sales (providing) area of the company's main products (services)

Unit: NT$ thousand

Sales Area / Year		2017		2018	
		Amount	%	Amount	%
Domestic sales		3,339,331	32.59%	6,739,846	51.91%
Export	Germany	2,260,769	22.06%	1,991,574	15.34%
	The United States	1,024,351	10.00%	1,027,606	7.91%
	Maindland China	1,211,172	11.82%	653,442	5.03%
	Mexico	12,033	0.12%	24,346	0.19%
	United Arab Emirates	1,382	0.01%	2,815	0.02%
	Other countries	2,398,849	23.41%	2,544,291	19.60%
	Minor total	6,908,556	67.41%	6,244,074	48.09%
Total		10,247,887	100.00%	12,983,920	100.00%

2. Market share

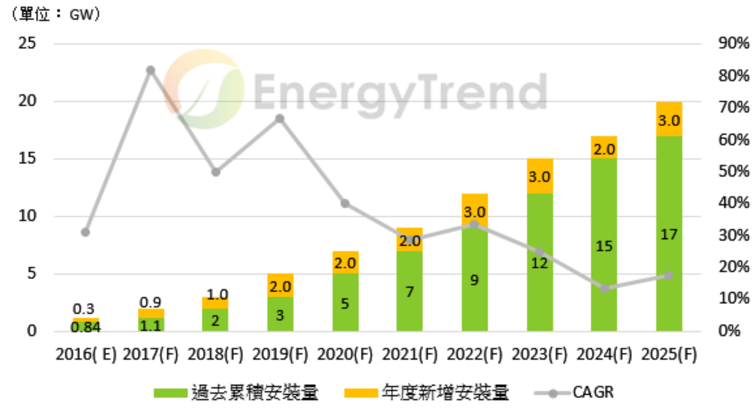
In 2018, the shipment of solar cells was 711 MW and the shipment of solar modules was 571 MW. According to the Energy Trend of the research institute, the company's market share in Taiwan is about 48%

3. The market future supply and demand situation and growth

Currently, many countries are affected and encouraged by the renewable energy policies of European and American countries, and then imitate the implementation of green energy and have launched several projects. According to Energy Trend report, due to the rise of China's solar market and the rising solar demand, the Asia Pacific region has become the world's highest market share in 2017, up to 72%. In recent years, the trend of renewable energy controlled by European and American countries previously has been gradually reversed by countries in the Asia-Pacific region, such as China, India and Japan are all the top markets for installed capacity in the global market. This situation has shown that the global solar market center has gradually shifted to Asia. According to Energy Trend, in 2017, China's solar grid connection was 52.83GW, taking the first place, followed by the US of 12GW. As the Japanese market continues to weaken in recent years, the grid connection in 2017 was 7GW; the 9.26GW grid connection in the Indian market has successfully replaced the third largest market in the world.

In fact, Taiwan is the world's second-largest solar cell producer, and comply with the Taiwan government's solar photovoltaic and "non-nuclear home" program, Taiwan is rapidly becoming the world's top ten solar markets with a goal of 20GW. Due to the Taiwan government's subsidy policy for high-efficiency modules, it is highly encouraged to Taiwanese manufacturers to actively invest in high-efficiency modules and power station businesses, which will attract funds from home and abroad to accelerate the goal of achieving "non-nuclear homes

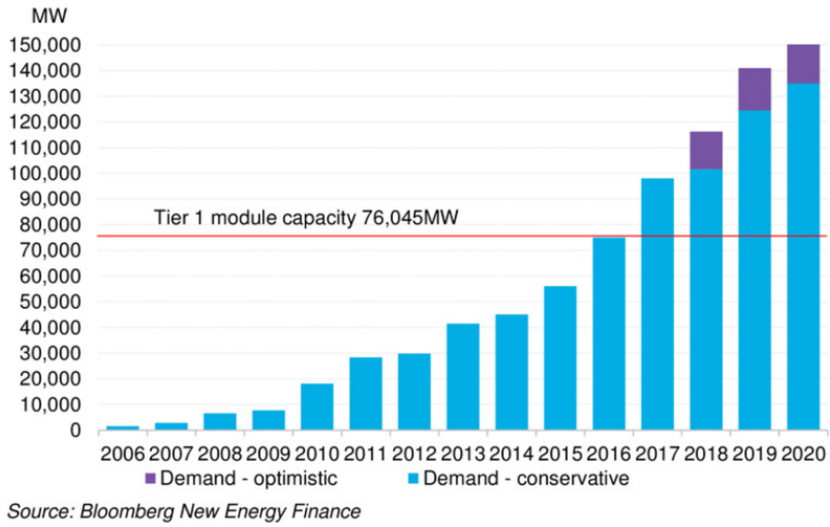
2016~2025 The predict annual intall quantity of Taiwan solar 20GW goal



Sources: TrendForce Corp.EnergyTrend

Although the countries of the previous traditional solar market, such as Europe and the United States, have shown that the market has become weak or sluggish in recent years. However, with the introduction and rapid rise of renewable energy in emerging markets, such as Latin America, Southeast Asia, and the Middle East, the solar industry will continue to grow in the future. It is estimated that its growth trend will continue at least until 2020. According to the prediction of Bloomberg New Energy Finance, the global solar market is expected to grow from 98GW to 116GW, with the Chinese solar market as the main boost, pushing up the global market to exceed 100GW this year. The emerging markets, especially in Latin America, will grow significantly and it has been estimated that their new installed capacity will reach 5.9 GW. In terms of the traditional solar market, such as France and the Netherlands, due to the implementation of the renewable energy policy and its 2020 goal, it is expected that the installed capacity in the European market will gradually increase, which is expected to be higher than 2017 of 6.8GW and reaching 8.5GW.

The historical data and prediction of global solar installation for the year



Sources:Bloomberg New Energy Finance

4. Competitive niche

A. Operation team

The company merged in October 2018, the leading cadres of the new operation team have professional experience in solar energy or semiconductor manufacturing, plant construction, equipment, power generation, business marketing, and production management, etc. They have a complete qualification in the production and research and development of solar energy industry with high process linkage and leads the company to develop high-quality and high-standard niche market with excellent management experience.

B. The improvement of self-owned process technology and equipment

The company purchases overseas advanced equipment plus its process technology, develops excellent quality products in the early stage of mass production and improves formulation to increase output beyond original design capacity, gradually improve conversion efficiency and reduce production cost.

C. Yield control

Currently, in addition to actively optimizing existing production capacity, reducing production costs and strengthening yield control, the company also spare no effort to optimize quality and cost structure.

D. The supply source of upstream silicon material

The company uses the industrial resources within the group and accumulates rich technology and experience. The upstream silicon material supply is scattered, and the cost and quality are superior.

E. Partnership with customers

The company has an excellent sales team and after-sales service quality and has won many long-term cooperation orders and partnerships. The client base is spread all over the world, mainly covering main markets such as Germany, Japan, and China.

F. Possess the ability of offering the “one-stop shopping” service

The company has the module product development, manufacturing abilities, and the development of solar energy systems, which is capable of providing high quality and low-cost module solutions in response to the needs of customers.

G. Possess completed battery and module production base

The company has battery and module production bases in both Taiwan and Southeast Asia, which can meet the particular needs of customers in response to the trade of the main markets, such as the European Union's limit on the price of Chinese products and the US double-reverse restrictions on Chinese battery products, flexible shipment.

5. The advantages and disadvantages as well as corresponding measures of the development prospect

A. Advantages

①Operational management ability

The operational team has rich experience in related industries and is familiar with the operation, management, planning, and execution abilities of the solar industry.

② Process techniques and research and development abilities

The research and development team has practical experience in the solar or semiconductor industry, specializing in product yield, efficiency improvement and research and development.

③ Continuous research and development and innovation

The research and development team continues to deliver breakthroughs in component, conversion efficiency and, low-cost production for component characterization, new material testing, and process development to maximize added value.

④Advanced technology and equipment

The advanced technology and equipment of the company, plus the mature semiconductor process and solar cell component technology, which makes the company's products maintain excellent competitiveness in the market.

⑤The degree of market demand

Due to the global consensus on diminishing traditional energy reserves and reducing carbon dioxide emissions, which stimulates the rapid growth of demand for renewable energy. Although the solar photovoltaic industry is still yet entirely out of the stage of government subsidies, renewable energy is the world trend and trend, with the business value of sustainable operation and long-term development.

B. Disadvantages:

In recent years, new global manufacturers have actively joined the solar energy industry, and the market has become oversupply. It has also been affected by the successive reductions in the government subsidy policies of the main markets, resulting in a decline in the selling price of products, which affects sales and profits. The corresponding measures of the company are as follow:

①Diversely expand raw material supplier, control the material supply.

②Improve the quality of products, techniques and services.

③Contract up and downstream strategic partners to deepen long-term customers and increase market share.

④Keep controlling the industry's pulsation, research and development of new materials and new processes.

Also, because China's solar products continue to rise in global market share, which triggered part of the market countries to adopt trade methods to protect, after the United States and Europe have imposed anti-dumping and countervailing duties on Chinese products, the manufacturers of the Taiwanese products are also subject to the US anti-dumping tax rate, as to limit growth and profit-making space. The corresponding measures of the company are as follows:

①Make good use of relationships with strategic customers, and complement each other.
②Adjust the proportion of the configuration of the terminal market.
③Seeking overseas factory plans.
④Keep controlling the progress and strive for the negotiation of relevant department.

(2) The important usage and produce process of main products

1. Usage of main products

The main products are Solar Cell and Module. Solar cells convert sunlight into DC power without the use of fossil fuels; therefore, there is no waste or pollution. And due to the use of semiconductor components, there are no rotating components and noise problems. The application of solar cells is a solar cell module, which can be used for more than 20 years. The size of the solar module can be randomly changed; thus it can be used in a wide range of applications, from consumer products such as computers and watches to general households, industries, and even power plants. To sum up, as long as the usage is similar to the power supply of Taiwan Power Company, all of the company's products can be used instead.

2. Production process of main products

The crystalline germanium solar cell structure is based on a P-type germanium wafer material, and the germanium wafer surface is roughened by etching the germanium wafer with an acidic or alkaline chemical etching solution, its purpose is to reduce the amount of reflection of the incident light. The surface layer of the first P-type wafer is converted into an N-type (front side) by diffusion in a tubular high-temperature furnace, and its purpose is to form a p/n Junction of the basic structure of the solar cell. The electric field caused by this p/n Junction can effectively separate the electrical holes generated by the solar cell illumination. When sunlight is incident on the surface of the crucible by air, reflection occurs. Therefore, a good anti-reflection layer is required to reduce the amount of reflection of the incident light. PECVD deposition can be used as an anti-reflection coating. Afterward, the front and back sides of the silicon chip are printed and sintered with silver or aluminum glue to form metal electrodes. The functions of the front and back metal electrodes are to extract the electrons generated by the solar cells after illumination and generate photocurrent for usage. Metal electrodes require low series resistance, high strength, resistance to soldering, etc. The electrode design of the solar cell receiving surface needs to be optimized for optical loss and resistance loss, the back electrode on the backlight side of the solar cell has an excellent ohmic contact due to no light loss problem, and the back electrode is usually made into a comprehensive wire. The simple

process of solar cells is as follows:

Silicon chip cleaning and surface treatmen → p/n junction production → Remove PSG → Anti reflection layer deposition

SPE → sintering → measure effectiveness → solar cell products.

5.2.2 Supply Status of Main Materials：

Major Raw Materials	Source of Supply	Supply Situation
Silicon Chip	101737、100981、100923	Good
Gum	101123、100345、100623	Good
Chemical Materials	100245、100011、100571	Good

5.2.3 Major Suppliers and Clients：

(1) Major Suppliers in the Last Two Calendar Years：

Unit: NT$1000

	2017				2018				2018 (As of March 31)			
Item	Name	Amount	Percent	Relation with Issuer	Name	Amount	Percent	Relation with Issuer	Name	Amount	Percent	Relation with Issuer
1	101737	1,121,645	16.31	None	101737	922,272	12.16	None	Others	4,042,642	100.00	None
2	Others	5,757,141	83.69		100981	797,778	10.52	None				
3					Others	5,862,405	77.32					
4	Net Total Supplies	6,878,786	100.00		Net Total Supplies	7,582,455	100.00		Net Total Supplies	4,042,642	100.00	

(2) Major Clients in the Last Two Calendar Years：

Unit: NT$’000

Item	2017				2018				2018 (As of March 31)			
	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	100732	1,358,778	13.26	None	101456	1,795,032	13.83	None	100732	434,376	10.10	None
2				None	100732	1,386,659	10.68	None				
3	Others	8,889,109	86.74	-	Others	9,802,229	75.49	-	Others	3,866,718	89.9	
	Net Sales	10,247,887	100.00	-	Net Sales	12,983,920	100	-	Net Sales	4,301,084	100	

5.2.4 Production in the Last Two Years：

Unit: NT$1000

Year / Output / Major Products (or by department)	2017			2018		
	Capacity	Quantity	Amount	Capacity	Quantity	Amount
Solar Module & Solar Cell	349,167	157,160	8,644,422	469,994	232,094	10,771,921
Total	349,167	157,160	8,644,422	469,994	232,094	10,771,921

5.2.5 Sales volume table in the Last Two Years ：

Unit: NT$1000

Year / Shipments & Sales / Major Products	2017				2018			
	Local		Export		Local		Export	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Solar Module & Solar Cell	29,088	2,608,799	92,029	6,261,143	32,861	5,386,626	118,927	5,054,004
Others	933	730,532	2,039	647,413	68	1,353,220	1,695	1,190,070
合計	30,021	3,339,331	94,068	6,908,556	32,929	6,739,846	120,622	6,244,074

5.3 Human Resources：

Year		2015	2016	Data as of ending data in the current year
Number of Employees	Staff	624	1,148	1,073
	Manufacturing	999	1,979	1,767
	Total	1,623	3,127	2,840
Average Age		34.88	34.59	34.66
Average Years of Service		5.28	4.85	5.83
Education	Ph.D.	1.48%	0.96%	0.85%
	Masters	13.80%	10.68%	11.02%
	Bachelor’s Degree	32.96%	42.19%	42.64%
	Senior High School	9.61%	13.60%	13.59%
	Below Senior High School	42.14%	32.57%	31.90%

5.4 Information of environmental protection expenditures:

5.4.1 Explain the disposal of the total amount due to the loss of the company because of environmental pollution (including compensation,) and disclose its future corresponding measures and the possible expenditures for the recent year as of the date of the annual handbook had been printed: None

5.4.2 The explanation of requisition, payment, and establishment of applicable requisition of facility establishment permit, or pollution discharge permit, or the payable pollution prevention fee, or shall establish environmental protection unit staff in accordance with the provisions:

1. The permit of establishing pollution prevention facilities or the date of acquisition of the pollution discharge permit:

Plant / category	Hsinchu First Plant	Hsinchu Second Plant	Hsinchu Third Plant	Hsinchu Science Park Plant	Zhu-Nan	Hsinchu First Plant	Hsinchu Second Plant
Operation permit of stationary source pollution	November 3, 2016	January 25, 2019	—	November 28, 2018	December 27, 2018	December 27, 2018	December 3, 2018

Permissive document of water pollution prevention	June 26, 2018	May 31, 2017	—	September 26, 2018	February 23, 2019	July 3, 2018	February 20, 2019
Cleaning plan of business waste	February 21, 2019	February 21, 2019	March 18, 2019	December 18, 2018	January 11, 2018	January 14, 2018	April 3, 2018

2. Payable pollution prevention fees in 2017:

Plant / category	Hsinchu First Plant	Hsinchu Second Plant	Hsinchu Third Plant	Hsinchu Science Park Plant	Zhu-Nan A Plant	Zhu-Nan B Plant	Tainan Plant
Air pollution prevention fee	126,069	0	28,911	125,395	298,536	1,379,078	168,617
Soil and groundwater pollution treatment fee	15,091	0	0	8,035	4,861	13,598	14,141

3. The establishment of environmental protection personnel:

Plant / category	Hsinchu First Plant	Hsinchu Second Plant	Hsinchu Third Plant	Hsinchu Science Park Plant	Zhu-Nan A Plant	Zhu-Nan B Plant	Tainan Plant
Personnel of Air pollution prevention and control	Lin Kunlin	Chen Weiyu	-	Lin Hexian	Song Yongliang	Lin Dehui	Chen Baizhou
Personnel of Water pollution prevention and control	Lin Kunlin	Bell mirror	-	Ruanjiang Pu	Huang Pinzhen	Du Maohui	Chen Baizhou
Waste treatment professional technician	Lin Kunlin	Chen Fengxiang	-	Fu Yuping	Chen Jialin	Mai Shengyu	Wu Shangwen

5.4.3 The list of the company's investment of the main equipment for the prevention and control of environmental pollution and its usage and possible benefits：

In the initial stage of the company's construction, the company focused on the investment in pollution prevention equipment, sewage, and waste gas and had entrusted professional qualified cleaning companies to remove waste. The details of the purchased control equipment are as follows:：

1. Hsinchu First Plant:

Equipment Name	Equipment Quantity	Usage and estimated benefits may create
Air pollution preventive facility	8	Usage: Dispose of the waste gas generated in the in-plant process. Benefits: Meet the air pollution emission standards of the Environmental Protection Act.
Sewage treatment system	1	Usage: Recycle and outsourcing re-use the high concentration of hydrofluoric acid emitted from the in-plant process. Benefits: Comply with environmental laws and regulations to meet industrial zone emission standards.

2. Hsinchu Second Plant:

Equipment Name	Equipment Quantity	Usage and estimated benefits may create
Air pollution preventive facility	4	Usage: Treatment of waste gas from in-plant processes Benefits: Meet the air pollution emission standards of the Environmental Protection Act.

3. Hsinchu Third Plant:

Equipment Name	Equipment Quantity	Usage and estimated benefits may create
Air pollution preventive facility	No need to mention	—
Sewage treatment system	No need to mention except for sewage interception pipeline	Usage: Handling the domestic water of employees in the factory. Benefits: In compliance with environmental laws and regulations, and meets the standards for wastewater management in industrial areas.

4. Hsinchu Science Park Plant:

Equipment Name	Equipment Quantity	Usage and estimated benefits may create
Air pollution preventive facility	10	Usage: Treatment of waste gas from in-plant processes. Benefits: Meet the air pollution emission standards of the Environmental Protection Act.
Sewage treatment system	1	Usage: Dispose of wastewater discharged from the in-plant process. Benefits: In compliance with environmental laws and regulations, and meets the standards for wastewater management in industrial areas.
High concentration hydrofluoric acid recycling improvement project	4	Usage: Recycle and outsourcing re-use the high concentration of hydrofluoric acid emitted from the in-plant process. Benefits: In compliance with environmental laws and regulations, and meets the standards for wastewater management in industrial areas.
Biological treatment system	1	Usage: Treatment of nitrate nitrogen and ammonia nitrogen wastewater from in-plant processes. Benefits: In compliance with environmental laws and regulations, and meets the standards for wastewater management in industrial areas.

5. Zhu-Nan A Plant:

Equipment Name	Equipment Quantity	Usage and estimated benefits may create
Air pollution preventive facility	9	Usage: Treatment of waste gas from in-plant processes. Benefits: Meet the air pollution emission standards of the Environmental Protection Act.
Sewage treatment system	1	Usage: Dispose of wastewater discharged from the in-plant process. Benefits: In compliance with environmental laws and regulations, and meets the standards for wastewater management in industrial areas.
Fluorine wastewater treatment system	2	Usage: Treatment of nitrate nitrogen and ammonia nitrogen wastewater from in-plant processes. Benefits: In compliance with environmental laws and regulations, and meets the standards for wastewater management in industrial areas.
Biological treatment system	2	Usage: Dispose of wastewater discharged from the in-plant process. Benefits: In compliance with environmental laws and regulations, and meets the standards for wastewater management in industrial areas.

6. Zhu-Nan B Plant:

Equipment Name	Equipment Quantity	Usage and estimated benefits may create
Air pollution preventive facility	12	Usage: Treatment of waste gas from in-plant processes. Benefits: Meet the air pollution emission standards of the Environmental Protection Act.
Sewage treatment system	1	Usage: Dispose of wastewater discharged from the in-plant process. Benefits: In compliance with environmental laws and regulations, and meets the standards for wastewater management in industrial areas.
Fluorine wastewater treatment system	1	Usage: Treatment of nitrate nitrogen and ammonia nitrogen wastewater from in-plant processes. Benefits: In compliance with environmental laws and regulations, and meets the standards for wastewater management in industrial areas.
Biological treatment system	1	Usage: Dispose of wastewater discharged from the in-plant process. Benefits: In compliance with environmental laws and regulations, and meets the standards for wastewater management in industrial areas.
Chemical treatment system	1	Usage: Dispose of wastewater discharged from the in-plant process. Benefits: In compliance with environmental laws and regulations, and meets the standards for wastewater management in industrial areas.

7. Tainan Plant:

Equipment Name	Equipment Quantity	Usage and estimated benefits may create
Air pollution preventive facility	11	Usage: Treatment of waste gas from in-plant processes. Benefits: Meet the air pollution emission standards of the Environmental Protection Act.
Sewage treatment system	1	Usage: Dispose of wastewater discharged from the in-plant process. Benefits: In compliance with environmental laws and regulations, and meets the standards for wastewater management in industrial areas.
High concentration hydrofluoric acid recycling system	1	Usage: Recycle and outsourcing re-use the high concentration of hydrofluoric acid emitted from the in-plant process. Benefits: In compliance with environmental laws and regulations, and meets the standards for wastewater management in industrial areas.

5.4.4 Part of the company's products is sold to Europe. According to the section 4 of Article 2 of Directive 2011/65/EU, which was issued by the European Commission, Photovoltaic Panels had been excluded from the scope of the new RoHS Directive, which means that no relevant EU environmental directives had been covered..

5.5 Labor Relation

5.5.1 (1) The current employee welfare measures, training, retirement system, and its implementation, as well as the agreement of labor, the maintenance and implementation of the employee's various rights:

1. The measures of employee welfare:
   The company based on the premise of the principle of good faith, to protect the rights and interests of employees, established various management procedures and work regulations in accordance with the principles of the Labor Standard Laws, to provide the employee good salary and a safe working environment.
   In addition to the national health insurance and labor insurance, the company also plans to handle group insurance for all employees, and arrange an annual health examination for the employee. Also, the company establishes the Staff Welfare Committee and the provision of employee benefits, continuing to promote diversified employee welfare measures and various welfare activities to improve the welfare system.
2. Training:
   To reinforce the professional skills of employees and cultivate them into international talents, the company encourages employees to undergo a variety of educational training courses, including new staff training, on-the-job training courses, professional courses, work safety courses, and various training courses related to the job duties so as to cultivate talent within specific skills.
3. Retirement system and implementation:
   The employees of the company that is applicable for the new labor retirement system，the company pays 6% of the individual's salary to the account of labor insurance bureau's personal pension. If the employee has voluntarily paid the pension, and the voluntary payment rate is deducted from the employee's monthly salary to the personal pension account of the Labor Insurance Bureau.
4. The agreement and negotiation of labor:
   The company is an industry that applicable to the Labor Standard Laws and remarkably emphasizes labor relations. All operations are based on the Labor Standard Laws; the company regularly holds the labor meetings and listen to the employees' opinion and positively respond as well as improve itself. As of the date of the annual handbook had been printed, the relationship between the employer and employees were harmonious, there were no major labor disputes.

5.5.2 (2) The recent year as of the date of the annual had been printed, the loss due to labor disputes and disclosure of current and future estimated amounts and corresponding measures:：

1. The recent two years as of the date of the annual had been printed, no major labor disputes have occurred. The relationship between the employers and employees were harmonious, there was no dispute between labor and management, and there was no loss arising from labor disputes.
2. The corresponding measures may occur currently and in the future:
   (1) Comply with the labor-related laws and regulations and implement the procedures according to law.
   (2) Strengthen various welfare measures and actively strive for employee welfare.
   (3) Establish an open, honest labor relationship and communication channel.
3. The loss amount may occur currently and in the future: not applicable.

5.6 Important Contract

The contract content of currently valid and effective duration of the sales contracts, technical cooperation contracts, engineering contracts, long-term loan contracts and other important contract contents that is sufficient to affect the rights of investors:

Contract Nature	Party	The Start/End Date of the Contract	Primary Content	Restrictions
Authorization Contract	First commercial bank Cooperative bank Mega International Commercial Bank、 ChinaTrust Commercial Bank	November 8, 2018~November 7, 2021	Syndicated Authorized Loan	
Lease Contract	Hsinchu Industrial Park Administration, Technological Department	October 1, 2018~December 31, 2037	Land Lease	
	Hsinchu Industrial Park Administration, Technological Department	August 13, 2007~December 31, 2026	Land Lease	
Supply Contract	A Raw Material Supplier	January 1, 2009~December 31, 2018	Wafer Chips Supply	Maintain a certain amount of purchases

Contract Nature	Party	The Start/End Date of the Contract	Primary Content	Restrictions
	B Raw Material Supplier	March 2007~December , 2019	Wafer Chips Supply	
	G Raw Material Supplier	October 2007~December 31, 2018	Wafer Chips Supply	
	L Raw Material Supplier	June 1, 2017~June 30, 2017	Long-term Material Supply	
	AD Raw Material Supplier	March 18, 2020~December 31, 2022	Long-term Material Supply	
	J Raw Material Supplier	March 15, 2007~December 31, 2018	Long-term Material Supply	
Merger Contract	GIN/SEC	January 29, 2018	Three-in-one merger	

Notes: Due to the confidential agreement signed by the company and the supply, the code will be used as the expression.

VI. Financial Information

6.1 Five-Year Financial Summary

6.1.1 Condensed Balance Sheet based o IFRS (Standalone)

Unit: NT $1000

Item \ Year		Five-Year Financial Summary(Note1) 2014	2015	2016	2017	2018
Current assets		13,834,060	13,418,506	12,978,463	8,268,325	17,496,759
Property, Plant and Equipment		11,889,872	10,588,629	8,814,227	6,524,410	13,537,834
Intangible assets		512,440	512,440	—	—	8,051
Other assets		7,436,554	9,254,281	9,768,221	12,872,482	16,210,864
Total assets		33,672,926	33,773,856	31,560,911	27,665,217	47,253,508
Current liabilities	Before distribution	7,138,701	9,261,580	9,302,935	11,703,596	1,5476,803
	After distribution	7,309,972	9,261,580	9,302,935	11,703,596	15,476,803
Non-current liabilities		5,277,792	4,755,982	6,195,025	4,882,219	6,869,693
Total liabilities	Before distribution	12,416,493	14,017,562	15,497,960	16,585,815	22,346,496
	After distribution	12,587,764	14,017,562	15,497,960	16,585,815	22,346,496
Equity attributable to shareholders of the parent		—	—	—	—	—
Capital stock		8,562,770	8,581,617	10,176,152	10,192,564	25,157,599
Capital surplus		12,197,491	12,211,474	12,345,346	6,028,165	1,011,023
Legal Reserve		47,566	69,422	—	—	—
Special Reserve		18,928	—	—	—	—
Retained Earnings	Before distribution	391,744	(1,238,096)	(6,309,786)	(4,611,501)	(369,468)
	After distribution	220,473	(1,238,096)	(6,309,786)	(4,611,501)	(369,468
Other equity		37,934	131,877	(148,761)	(529,826)	(873,443)
Treasury stocks		—	—	—	—	(18,699)
Non-controlling interest		—	—	—	—	—
Total Shareholders' Equity	Before distribution	21,256,433	19,756,294	16,062,951	11,079,402	24,907,012
	After distribution	21,085,162	19,756,294	16,062,951	11,079,402	24,907,012

Note 1: Financial information for the past five years was audited and 。

6.1.2 Consolidated Condensed Balance Sheet¬¬– Based on IFRS

Unit: NT $1000

Item \ Year		Five-Year Financial Summary(Note1) 2014	2015	2016	2017	2018	2019/1/1~3/31
Current assets		18,963,652	19,301,990	17,648,551	12,573,614	23,480,681	22,734,105
Property, Plant and Equipment		14,193,490	12,924,354	12,097,204	11,162,899	20,056,530	23,944,483
Intangible assets		534,271	620,471	314,879	261,350	202,962	197,847
Other assets		3,633,142	6,254,684	6,794,184	10,248,082	14,546,114	10,656,428
Total assets		37,324,555	39,101,499	36,854,818	34,245,945	58,286,287	57,532,863
Current liabilities	Before distribution	8,981,935	12,623,827	12,833,142	16,679,572	22,078,368	19,878,852
	After distribution	9,162,427	12,623,827	12,833,142	16,679,572	22,078,368	19,878,852
Non-current liabilities		6,618,849	6,121,822	7,342,094	6,228,563	10,402,908	12,592,360
Total liabilities	Before distribution	15,600,784	18,745,649	20,175,236	22,908,135	32,481,276	32,471,212
	After distribution	15,781,276	18,745,649	20,175,236	22,908,135	32,481,276	32,471,212

Equity attributable to shareholders of the parent		21,256,433	19,756,294	16,062,951	11,079,402	24,907,012	24,219,026
Capital stock		8,562,770	8,581,617	10,176,152	10,192,564	25,157,599	25,153,495
Capital surplus		12,197,491	12,211,474	12,345,346	6,028,165	1,011,023	1,011,125
Legal Reserve		47,566	69,422	—	—	—	—
Special Reserve		18,928	—	—	—	—	—
Retained Earnings	Before distribution	391,744	(1,238,096)	(6,309,786)	(4,611,501)	(369,468)	(1,345,009)
	After distribution	211,252	(1,238,096)	(6,309,786)	(4,611,501)	(369,468)	(1,345,009)
Other equity		37,934	131,877	(148,761)	(529,826)	(873,443)	(581,886)
Treasury stocks		—	—	—	—	(18,699)	(18,699)
Non-controlling interest		467,338	599,556	616,631	258,408	897,999	842,625
Total Shareholders' Equity	Before distribution	21,723,771	20,355,850	16,679,582	11,337,810	25,805,011	25,061,651
	After distribution	21,543,279	20,355,850	16,679,582	11,337,810	25,805,011	25,061,651

Note 1: Financial information for the past five years was audited and 。

6.1.3 Condensed Statement of Income (Standalone)

Unit: NT $1000

Year / Item	Five-Year Financial Summary (Note)				
	2014	2015	2016	2017	2018
Operating Revenue	24,920,006	19,468,555	15,171,908	9,119,985	10,310,120
Income from Operations	1,302,040	480,845	(1,597,528)	(2,088,573)	(848,242)
Non-Operating Income and Expenses	192,687	(600,866)	(4,867,063)	(3,292,438)	(1,763,221)
Net Income before Tax	25,873	(854,770)	(1,442,442)	(861,362)	1,294,927
Net income from operations of continued segments	218,560	(1,455,636)	(6,309,505)	(4,153,800)	(468,294)
Loss from discontinued segments	218,562	(1,455,641)	(6,309,786)	(4,154,163)	(468,294)
Net Income for the period	—	—	—	—	—
Other comprehensive income for the period - After tax	218,562	(1,455,641)	(6,309,786)	(4,154,163)	(468,294)
Total comprehensive income for the period	113,532	73,931	(312,630)	(325,081)	(288,060)
Net income attributable to parent company	332,094	(1,381,710)	(6,622,416)	(4,479,244)	(756,354)
Net income attributable to non-controlling interest	—	—	—	—	—
Total comprehensive profit and loss attributable to parent company	—	—	—	—	—
Total comprehensive profit and loss attributable to non-controlling interest	—	—	—	—	—
Earnings per Share	—	—	—	—	—
Operating Revenue	0.28	(1.71)	(6.53)	(4.08)	(0.34)

Note: Financial information for the past five years was audited and certified by Certified Public Accountants.

6.1.4 Condensed Statement of Income (Consolidated)

Unit: NT $1000

Year / Item	Five-Year Financial Summary (Note)					
	2014	2015	2016	2017	2018	2019/1/1~3/31
Operating Revenue	27,580,249	22,214,496	16,537,125	10,247,887	12,983,920	4,301,094
Income from Operations	1,787,296	625,176	(1,912,373)	(1,983,395)	(730,251)	(99,781)
Non-Operating Income and Expenses	247,524	(1,300,069)	(6,350,959)	(3,892,948)	(2,709,476)	(678,518)
Net Income before Tax	(25,535)	(252,886)	(64,648)	(237,778)	2,269,173	28,663
Net income from operations of continued segments	221,989	(1,552,955)	(6,415,607)	(4,130,726)	(440,303)	(649,855)
Loss from discontinued segments	244,389	(1,538,402)	(6,408,874)	(4,159,989)	(440,303)	(649,855)

Item \ Year	Five-Year Financial Summary (Note)					
	2014	2015	2016	2017	2018	2019/1/1~3/31
Net Income for the period	—	—	—	—	—	—
Other comprehensive income for the period - After tax	244,389	(1,538,402)	(6,408,874)	(4,159,989)	(463,609)	(689,689)
Total comprehensive income for the period	121,446	90,564	(346,339)	(363,194)	(272,129)	286,809
Net income attributable to parent company	365,835	(1,447,838)	(6,755,213)	(4,523,183)	(735,738)	(402,880)
Net income attributable to non-controlling interest	218,562	(1,455,641)	(6,309,786)	(4,154,163)	(468,294)	(661,163)
Total comprehensive profit and loss attributable to parent company	25,827	(82,761)	(99,088)	(5,826)	4,685	(28,526)
Total comprehensive profit and loss attributable to non-controlling interest	332,094	(1,381,710)	(6,622,416)	(4,479,244)	(756,354)	(381,679)
Earnings per Share	33,741	(66,128)	(132,797)	(43,939)	20,616	(21,201)
Operating Revenue	0.28	(1.71)	(6.53)	(4.08)	(0.34)	(0.26)

Note: Financial information for the past five years was audited and certified by Certified Public Accountants.

6.1.5 Auditors' Opinions for Last Five Years

Year	CPA's Name	Auditing Opinion	Note
2014	Deloitte & Touche	Cheng-Chih Lin、Shu-Chieh Huang	An Unqualified Report
2015	Deloitte & Touche	Cheng-Chih Lin、Shu-Chieh Huang	An Unqualified Report
2016	Deloitte & Touche	Cheng-Chih Lin、Shu-Chieh Huang	Other Differences in the Opinion Paragraph
2017	Deloitte & Touche	Cheng-Chih Lin、Shu-Chieh Huang	Other Differences in the Opinion Paragraph
2018	Deloitte & Touche	Yi-Hsin Kao、Yu-Feng Huang.	Other Differences in the Opinion Paragraph

6.2 Five-Year Financial Analysis

6.2.1 Financial Analysis based on IFRS (Standalone)

Item \ Year		Financial Analysis for the Past Five Years				
		2014	2015	2016	2017	2018
Financial structure (%)	Ratio Of Liabilities To Assets	36.87	41.50	49.10	59.95	47.29
	Ratio Of Long-Term Capital To Property, Plant and Equipment	223.17	231.50	252.52	244.64	234.73
Solvency (%)	Current Ratio	193.79	144.88	139.51	70.65	113.05
	Quick Ratio	161.19	119.97	113.87	58.96	99.00
	Times Interest Earned Ratio	2.28	-	-	-	-
Operating performance	Accounts Receivable Turnover (Turns)	6.02	4.39	4.14	3.99	4.48
	Average Collection Period	61	83	88	91	81
	Inventory Turnover (Turns)	15.28	10.02	7.27	5.62	5.87
	Accounts Payable Turnover (Turns)	13.28	11.67	11.74	11.62	7.79
	Average Days In Sales	24	36	50	65	62
	Property, Plant and Equipment Turnover (Turns)	2.01	1.73	1.56	1.19	1.03
	Total Assets Turnover (Turns)	0.77	0.58	0.46	0.31	0.28
Profitability	Return On Total Assets (%)	1.11	(3.87)	(18.48)	(12.38)	(0.41)
	Return On Shareholders' Equity (%)	1.09	(7.10)	(35.23)	(30.61)	(2.60)
	Ratio of net profit to paid-in capital before tax (%)	2.55	(16.96)	(62.00)	(40.75)	(1.86)
	Profit Ratio (%)	0.88	(7.48)	(41.59)	(45.55)	(4.54)
	Earnings Per Share ($) (Note:1)	0.28	(1.71)	(6.53)	(4.08)	(0.34)
Cash flow	Cash Flow Ratio (%)	9.50	17.19	(Note2)	9.44	2.27
	Cash Flow Adequacy Ratio (%)	13.29	8.26	7.74	47.70	47.19
	Cash Reinvestment Ratio (%)	1.29	4.17	(Note2)	3.98	0.78
Leverage	Operating Leverage	19.20	(Note3)	(Note3)	(Note3)	(Note3)
	Financial Leverage	8.58	(Note3)	(Note3)	(Note3)	(Note3)

Please explain the reason of the changes in various financial ratios for the recent two years: (If the increase or decrease is less than 20%, it can be exempted from analysis.)

1. The reduction of debts ratio:
   It was mainly because the acquisition of national development fund from the private fundraising capital increase in 2018 made the operating funds of the company increase, which cause the reduction of debts ratio.
2. Solvency:
   It was mainly because the acquisition of national development fund from the private fundraising capital increase in 2018 made the operating funds of the company increase, which cause the rising of current ratio and the quick ratio compared to 2017.
3. The reduction of payable turnover (times) ratio:
   It was mainly because the payable amount of 2018 increased compared to 2017, which made the payable turnover ratio reduce.
4. Profitability:
   It was mainly because the operating loss of 2018 was less than in 2017, the financial indicators such as return on assets, return on equity, net profit before tax, paid-in capital ratio, net profit margin and earnings per share were all higher than in 2017.
5. Cash flow:
   The cash flow ratio, cash flow rate and cash reinvestment ratio were lower than those 2017, which was mainly due to the reduction of cash inflows by the operational activities in 2018.

Notes 1: Earnings per share are calculated based on the number of weighted average shares outstanding during the year.
Notes 2: If the net cash flow of the operational activities are negative, shall not be calculated.
Notes 3: The operating loss of the year shall not be calculated.

Note 2: Glossary:

1. Financial Structure
(1) Ratio Of Liabilities To Assets = Total Liabilities/ Total Assets
(2) Ratio Of Long-Term Capital To Property, Plant and Equipment = (Net Shareholder's Equity + Non-current Liabilities)/ Net Property, Plant and Equipment
2. Solvency
(1) Current Ratio = Current Assets / Current Liabilities.
(2) Quick Ratio = (Current Assets – Inventories – Prepaid Expenses) / Current Liabilities.
(3) Times Interest Earned Ratio = Earnings before Interests And Taxes/ Interest Expenses.
(1) Current Ratio = Current Assets / Current Liabilities.
(2) Quick Ratio = (Current Assets – Inventories – Prepaid Expenses) / Current Liabilities.
(3) Times Interest Earned Ratio = Earnings before Interests And Taxes/ Interest Expenses.
3. Operating Ability
(1) Accounts Receivable Turnover = Net Sales / Average Trade Receivables.
(2) Average Collection Period = 365 / Accounts Receivable Turnover.
(3) Inventory Turnover = Cost Of Goods Sold / Average Inventory.
(4) Accounts Payable Turnover = Cost Of Goods Sold / Average Accounts Payable.
(5) Average Days In Sales = 365 / Inventory Turnover.
(6) Property, Plant and Equipment Turnover = Net Sales / Net Property, Plant and Equipment.
(7) Total Assets Turnover = Net Sales / Total Assets.
4. Profitability
(1) Return on Total Assets (%) = [Net Income + Interest Expense x (1-Effective Tax Rate)] / Average Total Assets.
(2) Return on Stockholders' Equity = Net Income / Average Stockholders' Equity.
(3) Profit Ratio (%) = Net Income / Net Sales.
(4) Earnings Per Share ($)= (Net Income – Preferred Stock Dividend) / Weighted Average Number of Shares Outstanding..
5. Cash Flow
(1) Cash Flow Ratio (%) = Net Cash Provided by Operating Activities / Current Liabilities.
(2) Cash Flow Adequacy Ratio (%) = Five-year Sum of Cash from Operations / Five-year (Capital Expenditures + Inventories Additions + Cash Dividend)
(3) Cash Reinvestment Ratio (%) = (Net Cash Provided by Operating Activities - Cash Dividend) / (Gross Fixed Assets + Long-Term investments + Other Assets + Working Capital)
6. Leverage
(1) Operating Leverage = (Net Sales – Variable Cost) / Income from operations.
(2) Financial Leverage = Income from operations / (Income from operations – Interest Expenditures).

6.2.2 Financial Analysis based on IFRS (Consolidated)

Item	Year	Financial Analysis for the Past Five Years					2019/1/1~3/31
		2014	2015	2016	2017	2018	
Financial structure (%)	Ratio Of Liabilities To Assets	41.80	47.94	54.74	66.89	55.73	56.44
	Ratio Of Long-Term Capital To Property, Plant and Equipment	199.69	204.87	198.57	157.36	180.53	157.26
Solvency (%)	Current Ratio	211.13	152.90	137.52	75.38	106.35	114.36
	Quick Ratio	180.37	114.17	96.32	56.33	88.13	85.36
	Times Interest Earned Ratio	1.91	-	-	-	0.33	-
Operating performance	Accounts Receivable Turnover (Turns)	5.79	4.25	3.89	3.86	4.52	4.49
	Average Collection Period	63	86	94	95	81	81
	Inventory Turnover (Turns)	12.39	6.24	3.70	2.84	4.06	4.19
	Accounts Payable Turnover (Turns)	12.97	11.89	10.95	9.84	8.67	6.75
	Average Days In Sales	29	58	99	129	90	87
	Property, Plant and Equipment Turnover (Turns)	1.85	1.64	1.32	0.88	0.83	0.70
	Total Assets Turnover (Turns)	0.77	0.58	0.44	0.29	0.28	0.30
Profitability	Return On Total Assets (%)	1.25	(3.46)	(15.93)	(10.01)	0.13	(3.56)
	Return On Shareholders' Equity (%)	1.19	(7.31)	(34.61)	(29.70)	(2.50)	(10.92)
	Ratio of net profit to paid-in capital before tax (%)	2.59	(18.10)	(63.05)	(40.53)	(1.75)	(10.33)

Item	Year	Financial Analysis for the Past Five Years 2014	2015	2016	2017	2018	2019/1/1~3/31
	Profit Ratio (%)	0.89	(6.93)	(38.75)	(40.59)	(3.57)	(16.04)
	Earnings Per Share ($) (Note:1)	0.28	(1.71)	(6.53)	(4.08)	(0.34)	(0.26)
Cash flow	Cash Flow Ratio (%)	2.82	6.11	(Note2)	2.60	(Note2)	(Note2)
	Cash Flow Adequacy Ratio (%)	9.63	(Note2)	(Note2)	7.04	(Note2)	(Note2)
	Cash Reinvestment Ratio (%)	0.05	1.59	(Note2)	1.43	(Note2)	(Note2)
Leverage	Operating Leverage	17.91	(Note3)	(Note3)	(Note3)	(Note3)	(Note3)
	Financial Leverage	108.28	(Note3)	(Note3)	(Note3)	(Note3)	(Note3)

Please explain the reason of the changes in various financial ratios for the recent two years: (If the increase or decrease is less than 20%, it can be exempted from analysis.)

1. Solvency:
   It was mainly due to the increase of acquisition of national development fund from the private fundraising capital increase in 2018, the operational funds of the company increased, which caused the current ratio and the quick ratio rise compared to 2017. Additionally, The 2018 annual operating loss decreased compared to 2017, which increased the interest protection ratio.
2. Increase in inventory turnover (times) and a decrease in average sales days:
   It was mainly because the company transformed into the module and power station business from the original business of battery manufacturing, actively expanded the business, which increased the income of modules and systems, resulting in an increase in inventory turnover and a decrease in average sales day.
4. Profitability:
   It was mainly because the operating loss of 2018 was less than in 2017, the financial indicators such as return on assets, return on equity, net profit before tax, paid-in capital ratio, net profit margin and earnings per share were all higher than in 2017.
5. Cash flow:
   The cash flow ratio, cash flow rate and cash reinvestment ratio were lower than those in 2017, the reasons could be resulted from the net cash outflows by the operational activities of 2018.

Notes 1: Earnings per share are calculated based on the number of weighted average shares outstanding during the year.
Notes 2: If the net cash flow from operating activities is negative, shall not be calculated.
Notes 3: The operating loss of the year shall not be calculated.
Notes 4: The calculation formula of financial analysis, such as financial analysis - International Financial Reporting Standard (Consolidative).

6.3 Audit Committee's Report in the Most Recent Year:：

United Renewable Energy Co., Ltd.
Audit Committee's Review Report

The Board of Directors has prepared the Company's 2018 Business Report, Financial Statements, and loss offsetting list. The CPA firm of Deloitte & Touche was retained to audit URE's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and loss offsetting list have been reviewed and determined to be correct and accurate by the Audit Committee members of United Renewable Energy Co., Ltd.. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.。

The Audit Committee of United Renewable Energy Co., Ltd
Chairman：Independent Director MING-JENG, WENG

March 22, 2019

6.4 The Impact on the Company's Financial Status in Cases where the Company or its Affiliates have Financial Difficulties: None

VII.Review of Financial Conditions, Operating Results, and Risk Management

7.1 Analysis of Financial Status

Unit: NT$'000

Item \ Year	2017	2018	Difference	
			Amount	%
Current Assets	12,573,614	23,480,681	10,907,067	86.75%
Fixed Assets	11,162,899	20,056,530	8,893,631	79.67%
intangible asset	261,350	202,962	(58,388)	(22.34)%
intangible asset	10,248,082	14,546,114	4,298,032	41.94
Total Assets	34,245,945	58,286,287	24,040,342	70.20%
current liabilities	16,679,572	22,078,368	5,398,796	32.37%
non-current liabilities	6,228,563	10,402,908	4,174,345	67.02%
Total Liabilities	22,908,135	32,481,276	9,573,141	41.79%
Capital	10,192,564	25,157,599	14,965,035	146.82%
Capital Surplus	6,028,165	1,011,023	(5,017,142)	(83.23)%
reserve surplus (or accumulated deficit)	(4,611,501)	(369,468)	(4,242,033)	(91.99)%
Equity - Other	(529,826)	(873,443)	343,617	64.85%
Treasury Stock	-	(18,699)	(18,699)	(100.00)
Non-controlling Interests	258,408	897,999	639,591	247.51%
Total Equity	11,337,810	25,805,011	14,467,201	127.60%

Explanation of significant change of items: (The amount changed by more than 10%, and the amount reached 1% of the total assets of the year.)

1.Current assets: It was mainly because the acquisition of national development fund from the merger of the company and GIN and SEC in 2018 and the private fundraising capital increase, which caused the increase of current assets.
2. Real estate, plant and equipment: It was mainly due to the merger of the company and GIN and SEC in 2018, which caused the increase of real estate, plant and equipment.
3. Intangible assets: It was mainly due to the disposal of the subsidiaryGES Fukushina Corp. in 2018, which caused the intangible assets decrease.
4. Other assets: It was mainly due to the merger of the company and GIN and SEC in 2018，which caused the other assets increase.
5. Current liabilities and non-current liabilities: It was mainly due to the merger of the company and GIN and SEC in 2018，which caused the liability increase.
6. Share capital: It was mainly due to the merger of the company and GIN and SEC in 2018，and the issue of new shares and private fundraising issuing new shares, which caused the increase of share capital.
7.Paid-in capital: The shareholders' meeting passed the 2017 loss make-up application, which resulted from the make-up of loss of paid-in capital.
8. Undistributed earnings (accumulated loss): It was mainly because the operating loss had decreased compared to 2017.
9. Other rights: It was mainly due to the increase of unrealized financial assets loss resulted from other consolidative profit and loss measured by fair value.
10. Treasury stock: It was mainly because the share of the company that held by the subsidiary Utech Solar Corporation was regarded as treasury stock.
11.Non-controlling interests: It was mainly due to the merger of the company and GIN and SEC in 2018.

7.2 Analysis of Operating Results

7.2.1 Comparison Analysis of Business Results

Unit: NTD $1000

Year / Item	2017	2018	Percent Change	
			Amount	%
Total Net Revenues	10,247,887	12,983,920	2,736,033	26.70
Cost of Revenue	12,231,282	13,714,171	1,482,889	12.12
Gross Profit	(1,983,395)	(730,251)	(1,253,144)	(63.18)
Operating Expense	1,751,181	1,718,847	(32,334)	(1.85)
Other Income And Expenses	(158,372)	(260,378)	102,006	64.41
Loss From Operations	(3,892,948)	(2,709,476)	(1,183,472)	(30.40)
Total non-operating income and expenses	(237,778)	2,269,173	2,506,951	1,054.32
Loss Before Income Tax	(4,130,726)	(440,303)	(3,690,423)	(89.34)
Income Tax Expense	(29,263)	(23,306)	(5,957)	(20.36)
Net Loss For The Year	(4,159,989)	(463,609)	(3,696,380)	(88.86)

Explanation of significant change of items: (The amount changed by more than 10%, and the amount reached 1% of the total assets of the year.)

1. Net sales revenue, sales gross (loss) profit, business (loss) benefit, pre-tax (loss) benefit and after-tax (net loss) net profit: It was mainly because the company transformed into the module and power station business from the original business of battery manufacturing, actively expanded business, which led to the increase of income of module and system. The overall sales gross loss was improved compared to 2017. Although the impairment loss in 2018 was higher than 2017, the business loss, pre-tax loss and after-tax net loss were also reduced compared to 2017.
2. Other income and loss: It was mainly due to the reduction of the net realizable value of the second quarter the proposal of establishing the solar plant plan to acquire material module by the subsidiary ELECTRONIC J.R.C. S.R.L in 2018, which caused the listing of impairment loss.
3. Non-operating income and expenditures: It was mainly due to the cheap purchase benefits that created by the merger of the company and GIN and SEC that caused the increase of non-operational income.

7.2.2 he analysis of operating gross profit changes

Unit: NTD $1000

Items	The increased/decreased number of change of the initial and later period	Reason for difference, advantages and disadvantages				
		Price difference	Cost difference	Sales difference	Quantity difference	Other
Solar cells and modules	1,124,450	(1,041,855)	2,484,796	493,610	(812,101)	-

7.3 Cash Flow

7.3.1 The liquidity analysis for the recent two years

Unit: NT$ thousand/%

Items	2017	2018	Increased (decreased) amount	Increased (decreased) ratio
Operational activities	433,925	(981,284)	(1,415,209)	(326.14)
Investment activities	(4,681,595)	5,524,325	10,205,920	218
Fundraising activities	757,927	542,186	(215,741)	(28.46)

Explanation of significant change of items: (The change in the previous and later period reached more than 50%, and the amount of change reached 5% or more of the paid-up capital.)

1. Operational activities: It was mainly because the return of 2018 advance payment and other receivable payment reduced, which resulted in net cash outflow from business activities.
2. Investment activities: It was mainly due to the merger of GIN and SEC in 2018, which resulted in the increase of investment activities net cash inflow
3. Fundraising activities: It is mainly because, although the funds of the National Development Fund were obtained through a private capital increase in 2018, the repayment of short-term loans increased compared to 2017. As a result, fundraising net cash inflows decreased.

7.3.2 The cash liquidity analysis for the next year

Unit: NT$ thousand

Initial cash balance	Estimated net cash flow from the operating activities for the whole year	Estimated cash flow from the investment and fundraising activities for the whole year	Estimated remaining cash amount	Remedial measures for estimated cash shortfalls	
				Investment Plan	Financing Plan
9,555,845	(429,944)	1,087,077	10,218,978	Not applicable	Not applicable

1. The analysis of the change of cash flow liquidity for the next year:
(1) The net cash outflow from operating activities was approximately NT$ 429,944thousand.
(2) The net cash inflow from estimated investment and fundraising activities was NT$ 1,087,077 thousand, which is due to the increase in borrowings and the disposal of power plant business.
2. Remedial measures and liquidity analysis for expected cash shortfalls: not applicable.

7.4 Financial business impact on important capital expenditures

7.4.1 The usage of important capital expenditures and sources of funds

Unit: NT$ thousand

Planning Items	Actual or expected sources of funds	The needed total amount of funds	actual or expected funds usage		
			2018	2019	2020
Equipment Expansion	Borrowed form the bank and capital increase by cash	675,480	121,905	161,240	392,335

7.4.2 The estimated benefits may possibly produce: It is expected to effectively increase production productivity and increase production。

7.5 Recent Reinvestment Policy, Major Reasons for Profits or Losses, Improvement Plan and Investment Plan for the Following Year：

7.5.1 The re-investment policy of the company

The company's re-investment policy is mainly based on current business-related investment targets. The relevant executive departments comply with the internal control system "investment cycle" and the "procedures for acquisition or disposal of assets." The above-mentioned methods or procedures are approved by the board of directors or shareholders' meeting discussion.

7.5.2 Major reasons for reinvestment profits or losses, improvement plans and investment plan for the following year:

Unit: NT% thousand unless additionally indicated

Reinvested Company	2018 Income (Loss) Amount	Major Reasons For Profits or Losses	Improvement Plan	Investment Plant For Following Year
UES	(89,195)	Recognized investment loss of subsidiary.	To allocate investment gain upon improvement of subsidiary's business operation.	—
DelSolar Cayman	(356,660)	Recognized subsidiaries'' investment loss of Chinese and United States of American.	To allocate investment gain upon improvement of subsidiary's business operation.	To raise capital upon development of United of States of American projects.
General Energy Solutions Inc	(369,132)	Recognized investment loss of subsidiary.	To allocate investment gain upon improvement of subsidiary's business operation.	Consolidate with parent company on 2019 March 31st.
NSP BVI	53,546	Recognized subsidiary CFY investment gain.	—	—
GES ME	3,379	Power generation revenue from portion of the completed solar project.	To facilitate the completion of the 22 MWP project under operation.	The other 6 MWp project will be determine upon the situation of development
Apex Solar Corporation	7,756	Power generation revenue from solar project	—	—
NSP System	18,796	Recognized investment loss of subsidiary.	—	—
NSP UK	26,242	Revenue has been generated due to sales of the subsidiaries.	—	—
Prime Energy Corp	(151)	Recognized investment loss.	—	—
New Ray Investment	1,314	Investment gain from the	—	—

Reinvested Company	2018 Income (Loss) Amount	Major Reasons For Profits or Losses	Improvement Plan	Investment Plant For Following Year
Corp		company		
Zhong Yang Corp.	7,318	Profit gain from the sales of 13 MWP solar power project on 2018.	—	—
Huiyang Solar Corporation	(132)	Still Under development	—	—
DelSolar Singapore	47,981	To void subsidiary Delsolar India and offset recognized investment gain.	—	—
Best Power Service Corp	8,135	Construction revenue from solar power plant	—	—
Solartech Materials Corporation	(62)	Foreign currency exchange gain and loss.	—	—
True Honour Limited	47	—	Terminate operation on 2018	Terminate operation on 2018
Utech Solar Corporation	(186,513)	Poor market trend	Carefully analysis of the future market change.	Raise capital upon required
Neo Cathy Power Corp. (“Neo Cathy”)	44,306	Recognized investment loss of subsidiary.	—	—
TSST	(42,363)	Allocate loss fix assets value loss due to market down- turn.	—	—
Chairman, V5 Technologies	(2,714)	Start -up phase	Allocate investment profit upon improvement of the business operation.	—
GINTUNG ENERGY CORPORATION	(27,717)	Incurred loss for fiscal year of 2018 due to anticipate bad debt from specific clients	Focus on the development of the business with periodic assessment of client’s credit.	—
J&V Energy Technology Co. , Ltd	(5,095)	Start -up phase.	To allocate investment gain upon improvement of the operation	—
Sunshine PV Corporation	(20,676)	Cost production is too high due to unable to improvement technology.	Upon improvement of the production technology.	—
Solar PV	(1,812)	—	—	—
RES	(182,818)	Recognized investment loss from Gintch (Thailand).	To allocate investment gain upon improvement of the operation.	—
Gintech (Thailand)	(183,242)	Falling market price due to market trend.	To develop solar project with local developer.	To raise capital upon requirement and align with company strategies.
Yong Liang Inc.	1,382	Project has been completed with steady revenue generation.	—	Expand capacity from new acquisition.
Yong Han Corp.	499	Project has been completed with steady revenue generation.	—	Has been sold to Neo Cathay.
Yong Yeh Corp.	171	Project has been completed with steady revenue generation.	—	Has been sold to Neo Cathay
Yong Zhou Ltd.	(5,576)	The improvement has not been shown due to adjusted strategies.	The improvement has not been shown due to adjusted strategies.	Capital raise as required with alignment of improvement plan.
EverLite Power Inc.	5,281	Project has been completed with steady revenue generation.	—	—
Yong Yau Ltd.	(1,794)	Still under construction phase.	To facilitate the completion of the project to recognized power generation revenue	Capital raise as required with alignment of construction.

Reinvested Company	2018 Income (Loss) Amount	Major Reasons For Profits or Losses	Improvement Plan	Investment Plant For Following Year
Yong Shun Ltd.	(1,064)	Still under construction phase.	To facilitate the completion of the project to recognized power generation revenue.	Capital raise as required with alignment of construction.
GES UK	(205,793)	Still under construction phase	To facilitate the completion of the project to recognized power generation revenue.	Reinvest into niche market with the proceeds from sales of the projects.
GES USA	(83,684)	Still under construction phase	To facilitate the completion of the project to recognized power generation revenue.	Capital raise as required with alignment of construction.
NCH Solar1	7,892	Project has been completed with steady revenue generation.	—	—
GES Solar2	82	Project has been completed with steady revenue generation.	—	—
GES Solar3	(777)	Incurred loss due to not reaching economy of scale.	Manage and control relevant expenses.	—
GES CANADA	(192,224)	Recognized loss from JRC.	To allocate investment gain upon improvement of subsidiary's business operation.	—
GES Japan	125,192	Project has been completed with steady revenue generation	—	—
ET ENERGY	(3,919)	Incurred loss due to operation stoppage at the beginning of the year	Sold on 2019 Jan	Sold on 2019 Jan
TIPPING POINT	(125)	Incurred loss due to not reaching economic of scale	Sold on 2019 Jan	Sold on 2019 Jan
MEGATWO	(11,105)	Still under construction phase	To facilitate the completion of the project to recognized power generation revenue	Capital raise as required with alignment of construction.
MEGATHREE	1,752	Project has been completed with steady revenue generation	—	—
MEGAFIVE	2,905	Project has been completed with steady revenue generation	—	—
MEGASIX	(282)	Still under construction phase	To facilitate the completion of the project to recognized power generation revenue	—
MEGASEVEN	(468)	construction and other minor related expenses.	Sold on 2018 June	Sold on 2018 June
MEGAEIGHT	(15)	Incurred losses due to not reaching economy of scales.	—	—
MEGAELEVEN	(276)	construction and other minor related expenses.	Sold on 2018 June	Sold on 2018 June
MEGATWELVE	(621)	Incurred losses due to not reaching economy of scales.	—	—
MEGATHIRTEEN	(1,447)	Incurred loss due to the project has just been completed at middle of the year.	—	—
MEGAFIFTEEN	(923)	construction and other minor related expenses.	Sold on 2018 June	Sold on 2018 June
MEGASIXTEEN	(18,378)	Recognized loss of the subsidiaries	—	—
MEGASEVENTEEN	(23)	Still under construction phase	To facilitate the completion of the project to recognized power generation revenue.	—
MEGANINETEEN	(998)	Incurred losses due to not reaching economy of scales.	—	—
MEGATWENTY	1,010	Project has been completed with steady revenue generation.	—	—
ASSET ONE	1,199	Project has been completed with steady revenue generation.	—	—

Reinvested Company	2018 Income (Loss) Amount	Major Reasons For Profits or Losses	Improvement Plan	Investment Plant For Following Year
ASSET TWO	(40)	Incurred daily expenses with project still under construction.	To facilitate the completion of the project to recognized power generation revenue.	–
ASSET THREE	(4,947)	Incurred daily expenses with project still under construction.	–	–
ASSET FOUR	(70)	Incurred daily expenses with project still under construction.	To facilitate the completion of the project to recognized power generation revenue.	–
CENERGY	(145)	Incurred loss due to routine expenses.	–	–
SH4	0	Project has been completed with steady revenue generation.	–	–
CEDAR FALLS	1,496	Project has been completed with steady revenue generation.	–	–
Schenectady	(301)	Still under construction phase	To facilitate the completion of the project to recognized power generation revenue.	–
VOC	(164)	Still under construction phase	To facilitate the completion of the project to recognized power generation revenue.	–
HEYWOOD	(313)	Still under construction phase	To facilitate the completion of the project to recognized power generation revenue.	–
SEG	220	Project has been completed with steady revenue generation.	–	–
KINECT	1,188	Project has been completed with steady revenue generation.	–	–
RER CT 57	276	Project has been completed with steady revenue generation.	–	–
MP Solar	(501)	Still under construction phase	To facilitate the completion of the project to recognized power generation revenue.	–
Ventura	(288)	Still under construction phase	To facilitate the completion of the project to recognized power generation revenue.	–
TEV II	(2,520)	Incurred loss due to the fact that the project has been completed late last year and has generate some revenue, but it is less than the expenses and hence recognized loss.	–	–
Ges Fukushima Corporation	34,755	Power revenue generate from the project	Sold on 2018 June	Sold on 2018 June
Ges Kyushu Corporation	9,590	Project has been completed with steady revenue generation	–	–
JRC	(223,670)	Incurred loss due to JRC's module	Assure maintain operation and control of relevant expenses	–
MUNISOL	(10,859)	Still under construction phase	To facilitate the completion of the project to recognized power generation revenue	–
SHIMA'S	1	Project has been completed with steady revenue generation	–	–
WAIMEA	475	Project has been completed with steady revenue generation	–	–
HONOKAWAI	1,316	Project has been completed with steady revenue generation.	–	–
ELEELE	575	Project has been completed with steady revenue generation.	–	–
HANALEI	(10)	Project has been completed with steady revenue generation.	–	–
KAPAA	243	Project has been completed with steady revenue generation.	–	–
KOLOA	438	Project has been completed with steady revenue generation.	–	–
GES AC	13,096	Recognized investment gain from subsidiaries.	–	–

Reinvested Company	2018 Income (Loss) Amount	Major Reasons For Profits or Losses	Improvement Plan	Investment Plant For Following Year
ANDERSON N.	5,293	Project has been completed with steady revenue generation.	—	—
ANDERSON S.	4,549	Project has been completed with steady revenue generation.	—	—
Flora	563	Project has been completed with steady revenue generation.	—	—
Greenfield	3,355	Project has been completed with steady revenue generation.	—	—
Spiceland	286	Project has been completed with steady revenue generation.	—	—
TEV Solar	(74)	Recognized loss of the subsidiary.	—	—
AC GES Solar	119	Recognized gain of the subsdiary.	—	—
Richmond	562	Project has been completed with steady revenue generation	—	—
Rensselaer	296	Project has been completed with steady revenue generation	—	—
Advance	17	Project has been completed with steady revenue generation	—	—
CFY	421,499	Project has generated steady revenue with portion of project being completed	—	—
CFGP	(17,486)	Start -up phase	—	—
NSP HK	0	Start -up phase	—	—
DelSolar HK	(399,184)	Recognized investment loss of the subsidiary	To allocate investment gain upon improvement of subsidiary's business operation	—
DelSolar US	30,332	Recognized investment gain of CFR subsidiaries	—	—
NSP NEVADA	12,304	Recognized investment gain of the subsidiaries	—	—
URE NSP	0	—	—	—
NSP Malaysia	(337)	—	—	Starting liquidating process
NSP Vietnam	(3,779)	Start -up phase	—	—
NSP Germany	1,553	—	—	—
PV Power Park	(35)	—	—	—
NSP Indygen	26,098	Recognized sales gain fromf Indygen.	—	—
Xinjing Photoelectric Co., Ltd.	1,265	Project has been completed with steady revenue generation.	—	Has been sold to Neo Cathay.
Xinjing Solar Co., Ltd.	3,024	Project has been completed with steady revenue generation	—	Has been sold to Neo Cathay
Si Two Corp.	(128)	Still under construction.	—	—
Xinyuanheng Company	0	—	—	Starting liquidating process
Xu Neng Company	(4,008)	Recognized investment loss of the subsidiary.	To allocate investment gain upon improvement of subsidiary's business operation.	—
DelSolar(Wu Jiang) Ltd.	(344,463)	Capacity has not fully utilized that affect the average cost of production and the competitive nature of the market has let to falling market price which then influence profitability.	manage to lower the costs with plan to China's production capacity.	—
NSP JAPAN	160	—	—	—

Reinvested Company	2018 Income (Loss) Amount	Major Reasons For Profits or Losses	Improvement Plan	Investment Plant For Following Year
Neo Solar Power (Nanchang) Ltd	(482,293)	Capacity has not fully utilized that affect the average cost of production and the competitive nature of the market has let to falling market price which then influence profitability	manage to lower the costs with plan to China's production capacity	－
Livermore	(56)	construction and other minor related expenses	－	－
Industrial Park	0	construction and other minor related expenses	－	－
Hillsboro	(572)	construction and other minor related expenses	－	－
MP Solar	(501)	construction and other minor related expenses	－	－
Ventura	(288)	ction and other minor related expenses	－	－
DelSolar Development	(8,712)	Incurred loss due to depreciation and high than market construction cost from investment solar project	Will recognize profit upon depreciation has been deplete	－
CFR	(25,620)	Provide operation and management after completion of the solar projects. Short term losses incurred to the fact that the development of solar projects require longer time frame.	Awaiting completion of existing projects and their sales closings. Also, to develop more projects.	－
USD1	4,277	－	－	－
JV2	(796)	construction and other minor related expenses	－	－
Beryl	84,327	Construction revenue from solar power plant	－	－
POTTERS BAR	(7,475)	construction and other minor related expenses	－	Project sold on 2018
CLAY CROSS	(7,095)	construction and other minor related expenses	－	Project sold on 2018
BELPER	(6,272)	construction and other minor related expenses	－	Project sold on 2018
Bryncrynau	(13,343)	construction and other minor related expenses	－	Project sold on 2018
Meadowley	(8,864)	construction and other minor related expenses	－	Project sold on 2018
DSS-USF PHX LLC	(204)	Incurred loss due to higher depreciation and procurement cost for components	Awaiting depletion of depreciation	－
DSS-RAL LLC	(9,206)	Incurred loss due to higher depreciation and procurement cost for components	Awaiting depletion of depreciation	－
Rugged solar LLC	0	－	－	－
AVS Phase 2 LLC	0	－	－	－
DevCo One	0	－	－	－
DevCo Two	0	－	－	－
Shanghai Xuneng Company	(4,008)	Still under Construction	Awaiting completion of the construction	－

7.6 Analyzed Assessment of Risk Matters

7.6.1 The impact of interest rates, changes of exchange rate, inflation on the company's profit and loss, and future corresponding measures：

(1) Changes of Rate

The funds that required by the company and its subsidiaries due to capital expenditures and operational activities, the company's profit will be affected by the increase rate that resulted from the capital market financing and bank loan support. The amount of interest expenditures of the company for in 2016 and 2017 and were 431,063 thousand and 726,152 thousand respectively, which was 2.61% and 7.09% of the net operating income for the year, the impact on the company is not significant. In the future, the company will still regularly evaluate bank loan rates and maintain good relations with the banks to obtain preferential interest rates and reduce interest expenditures.

(2) Changes of Exchange Rate

The chief operating currencies of the company and its subsidiaries are USD and Euro, so the exchange rate changes have certain impacts on the company's profit and loss. The next exchange loss of the company in 2016 was NT$ 13,536 thousand, and the net exchange profit of the company in 2017 was 73,979 thousand, which was 0.08% and 0.72% of the net operating income respectively. To effectively reduce the impact on lowering exchange rate, in addition to the natural hedging policy related to income and expenditures, the finance department has additionally established the personnel to collect information on various banks, pay close attention to changes of exchange rate, and adjust foreign currency positions timely. Furthermore, to effectively reduce the risk of lowering the exchange rate, the company will prevent risks by handling financial derivatives merchandise in accordance with the provisions of "Procedures for the Acquisition or Disposal of Assets."

(3) Inflation

Due to the industrial characteristics, inflation did not cause significant a impact on the operations of the company and its subsidiaries. However, the company shall still pay much attention to inflation. In the future, the company shall pay more attention to the relevant information on the oil price and commodity price, timely adjust the cost of the merchandise and the raw material inventory, to reduce or avoid the impact on the company's operation due to the change of commodity price.

7.6.2 The main reasons and future corresponding measures of high-risk, leverage investment, loaning funds to others, the endorsement/guarantees, and financial derivatives transactions for the recent years:

(1) The main reasons and future corresponding measures of high-risk, policies of leverage investmen, and profit and loss

The company and its subsidiaries are mainly focused on the development of the industry and have not invested in other high-risk industries, and the Company and its subsidiaries have always attached importance to stable operation and financial soundness, and do not make high leverage investment. 。

(2) The main reasons and future corresponding measures of the policies of loaning funds to others, and profit and loss.

The company handles the loaning funds to other in accordance with the "Procedures and Policies for Governing the Endorsement/Guarantee," and correctly and timely announces the information of loaning funds to other under the provisions of the acts. If the counterparty of loaning funds of the company and its subsidiaries is the subsidiary of the corporation, its loaning funds and amount shall meet the "Procedures and Policies for Governing the Endorsement/Guarantee" established by every subsidiary.

(3) The main reasons and future corresponding measures of the endorsement/guarantee, and profit and loss

The company handles the loaning funds to other in accordance with the "Procedures and Policies for Governing the Loaning Funds to Others and the Endorsement/Guarantee," and submits to the board of directors for approval of providing the subsidiaries endorsement/guarantee. The counterparty of the endorsement/guarantee of the company and its subsidiaries is the subsidiary or an affiliated company of the corporation. The limited amount, authorization, and relevant operating procedures shall meet the provisions of the procedures for the endorsement/guarantee of the company.

(4) The main reasons and future corresponding measures of the policies of the financial derivatives transaction, and profit and loss

The purpose of the financial derivatives transaction of the company and its subsidiaries is to hedge the market risks that are mainly resulted from the fluctuating exchange rate and interest rate instead of arbitraging and speculation. Also, when the company and its subsidiaries engage in financial derivatives transactions, in addition to comply with the relevant provisions of regulations issued by the authorities and Generally Accepted Accounting Principles, the company shall strictly comply with the "Procedures for Acquisition or Disposal of Assets" established by the company, and correctly and timely announce the transaction information under the provisions of regulations.

7.6.3 Development Plan:

(1)Short-term Research and Development Plan:

The company continues to invest in research and development projects to maintain its technological leadership. The short-term plan is to improve the conversion efficiency of the cell through process integration and optimization. It is estimated that the highest conversion efficiency of the "Black 22" monocrystalline battery will be increased to 22.1% in 2019, and the highest conversion efficiency of BiFi P single crystal double-sided battery will be increased to 22%. Concerning the research and development of modules, it is estimated that in 2019, the POWER series will reach 320W, the PEACH series will reach 335W, and the Glory BiFi series will reach 345W through the introduction of high-efficiency batteries and the design of new module.

(2). Medium and Long-term Research and Development Plan:

In addition to the continuous efficiency improvement of traditional P-type battery, the company focuses on the next generation (P-type / N-type) solar cell development. For example, a heterojunction battery, it is expected that its battery conversion efficiency will increase to 23% within two years, and the relative module HELLO series can wattage up to 330W. Plus the one-year investment plan of its excellent double-sided power generation efficiency and low-temperature coefficient, which makes the equivalent wattage up to 380W. Besides, product reliability is greatly improved with dual glass module technology. The company has a comprehensive integration of battery and module technology, with different battery and product characteristics for different environments. Whether it is water, desert, snow, and roof, there are corresponding products respectively. The research and development team has always maintained good cooperative relationships with academic research institutions at home and abroad, to obtain information on the development of various novel technologies and equipment continuously. Also, to establish a close contact network with the upstream critical raw material suppliers, to provide complete technical services and support to the downstream customers.

(3) The Estimated Costs of Research and Development:

Research and development are essential to reinforcing the company's competitiveness, acquiring new technologies, new products, and new materials, and maintaining the company's sustainable development. In 2019, the estimated costs of investing in research and development will be higher than in 2018, which is approximately 2%~3% of the net sales.

7.6.4 The financial business influences and future corresponding measures of the changes of important policies and laws at home and abroad for the recent year:

For the recent year as of the date of the annual handbook has been printed, the company has not been affected by important policies and laws at home and abroad. The company established the legal department to continually pay attention to the change of important policies and laws at home and abroad, and timely actively proposes corresponding measures。

7.6.5 The financial business influences and future corresponding measures of the change of technology as well as industry for the recent year:

In response to the development of new generation solar cells, the company continues to improve research and development through process improvement, product conversion efficiency, and patent layout. The company reduces the market risks and pursues the long-term stability of the company's financial business through the development of high-efficiency solar cell with high-level twin structure and high reliability module, and simultaneously responding the needs and changes brought about by technological changes by transforming the company itself, and vigorously expand the downstream solar power plant business.。

7.6.6 The influences and future corresponding measures of the change of corporation images and the management of corporation crisis for the recent year:

The company operates in a stable and pragmatic spirit, with a good image and no crisis in corporation management.

7.6.7 The expected benefits and possible risks when engaging in merger:

(1)The expected benefits when engaging in merger:

To establish an internationally competitive solar flagship enterprise and construct a symbiotic and coherent integration platform, the board of directors of the company had resolved on January 29, 2018, jointly signed up the merger contract with GIN and SEC. After the merger, the company is the surviving company, GIN and SEC are dissolved companies. The Chinese name of the company changed to "URE." After the merger, the production scale can be rapidly expanded, and the economies of scale and the advantages of the antecedent can be used to reduce production expenditures, increase bargaining power, and share back-end resources. Besides, it is expected to reduce the costs of material purchase and production, and operating expenditures, maintain product competitiveness, and thus enhance the company's profitability, and develop Taiwan's battery/module brand that can be sold to the international market.。

(2)The possible risks when engaging in merger:

It is expected that future sales will gradually shift to both at home or abroad. If there are significant changes in the provisions of domestic and foreign solar industry laws and tax laws, sales and tax liabilities may be deeply affected。

7.6.8 The estimated benefits and possible risks of the expansion of the factory：

The company's plan of factory expansion is carefully evaluated after cautious assessment of market supply and demand, and the control of future order. Therefore, although the solar industry faces market ups and downs, it has helped the company to consolidate its market position, reinforce its ability to take orders, meet customer needs, expand market share, and enjoy economies of scale. The company has always focused on the coordination of production and sales and will continue to modify the global solar industry growth and customer expansion and development by the mode of long-term strategic partner, strictly assess the expected benefits and risks of the expansion of the plant to continue to maintain a rising trend.。

7.6.9 The possible risks and corresponding measures of consolidation of sales or purchasing operations:：

(1)The risk assessment and corresponding of centralized purchasing:

The producers of polycrystalline germanium raw materials in the upstream of the solar energy industry are dominated by suppliers of Europe, America, and Japan, and the supply of it is more than 90% of the world. Therefore, the solar industry generally has the industry characteristics of centralized purchasing. In recent years, the industry have flourished and attracted many manufacturers to engage. The industrial characteristics of centralized purchasing have been massively improved, the risks of it has been significantly reduced by establishing a long-term supply relationship with several well-known international manufacturers.

(2) The risk assessment and corresponding measures of consolidation of sales

The company actively expands the market scale and develops new customers, and the source of orders continues to be diversified to reduce the risk of sales being over consolidated on a single customer.

7.6.10 The director, supervisor or major shareholder that holds more than 10% of the shares, the influences and risks of the company by massively transferring or changing shares:

For the recent year as of the date of the annual handbook has been printed, there was no massively transferring or changing shares of the director, supervisor, or major shareholder that held more than 10% of the shares。

7.6.11 The influences and risks of the company by changing the operation rights：

For the recent year as of the date of the annual handbook has been printed, there has no changes of operation rights。

7.6.12 The major lawsuit, non-litigation or administrative litigation incident that the company shall state itself and the company's directors, supervisors, general manager, actual personnel in charge, major shareholders holding more than 10% of the shares, and major lawsuits or subordinates that the subordinate company has decided to determine or are still in pendency. The result may have a significant impact on the shareholders' equity or the price of the securities. The facts of the dispute, the amount of the subject-matter amounts, the commencement date of the lawsuit, the parties involved in the proceedings and as of the date of the printing of the annual report shall be disclosed as follows：

1. The Group filed an appeal with Wujiang District 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. Wujiang District Intermediate People’s Court ruled in the Group’s favor on September 23, 2015, but company CD appealed to the court of second instance on October 8, 2015.

   During the appeal, the Group 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 an expected repayment of RMB48,230 thousand and CEEG (Nanjing) assumed joint liability.

   CD Group did not make payments according to the terms of the above payment schedule; hence, the Group has entrusted a law firm to apply for a compulsory enforcement of the award. The Group recognized all above mentioned account receivables as a loss. DelSolar Wu Jiang received a total of RMB20,537 thousand through cash appropriated by the enforcement of the court and cash payments received from CEEG (Shanghai) as of March 18, 2019. CEEG (Shanghai) has repaid a debt to DelSolar Wu Jian with solar cells assemblies for 3,148 thousand as of March 18, 2019; CEEG (Shanghai) will continuously to repay the outstanding amount on the basis of RMB300 thousand per month to DelSolar Wu Jiang.

   In addition, the controversy associated with payment for goods between the Group and CEEG’s (Shanghai): In August 2016, the Group has entrusted a law firm to go to arbitration for the overdue payment of CD Group’s CEEG (Shanghai) in the China International Economic and Trade Arbitration Commission (CIETAC). The Group requested payment of USD1,255 thousand. The Group prevailed in the proceeding on December 23, 2016, and CEEG (Shanghai) has to pay USD1,254 thousand in overdue payments and USD25 thousand in overdue penalties to the Group. The Group has applied to the court for a compulsory enforcement of the award.

2. There is a controversy that whether the purchase contract follow-up between the company and supply manufacturer K was controversial. Supplier K filed a first-instance proceedings against the company to the Hsinchu District Court on January 13, 2016, with NT$ 10,000 thousand as its part of request initially, and enlarged the amount to NT$500,000 thousand on 2016. On March 21, the company proposed a counterclaim against supplier K to the Hsinchu District Court for a refund of the advance payment, and with NT$20,000 thousand as a part of the request initially.

   The judgment of Hsinchu District Court for the first instance on October 13, 2017, is as follows: The company should pay the supplier K NT$500,000 thousand and the interest calculated at 5% of the annual interest rate from December 23, 2015, as of the authorization period. Simultaneously, the part of the company’s counterclaim requested supplier K to return the prepayment had been rejected. In response to the first-instance judgment of the Hsinchu District Court, the company considered that there were many violations and had filed an appeal with the lawyer within the appeal period. Currently, the case is tried by the Taiwan High Court to protect the legitimate rights and interests of the consolidative company. However, based on the principle of conservative and conservative, the company has listed the estimated losses that may occur to the account and will make necessary adjustments in the future depending on the outcome of the litigation.

3. As far as the controversy of the long-term material offered contract signed by DelSolar Ltd. and raw material supplier AH in February 2008 is concerned, The company was indirectly notified by

arbitration association in March 2015, considered that the long-term material offered contract are still had many outstanding issues yet to be further clarified by both sides. The company has entrusted a lawyer to handle and carry out the follow-up necessary procedures. The raw material supplier AH requested the arbitral tribunal to comply with the original Wafer-purchased contract of DelSolar Ltd and raw material supplier AH, the amount that still needs to be exercised is EUR$36,089 thousand (plus the delay in performance of contract interest and other expenses.) In addition, from 2013 to 2015 (after the merger of DelSolar Ltd), the wafer (WAFER) contract has yet to be fulfilled in the amount of EUR$68,372 thousand (plus the delayed performance of contract interest and other expenses.) However, the raw material supplier AH did not make any claim for the amount of compensation that the company may have under the purchase of the wafer. The company was informed of the result of the arbitration in early November 2017; the arbitral tribunal considered that the company should exercise the purchase obligations listed in the purchase contract. However, the arbitral tribunal referred to the transaction price of the wafer market in each year considered that the agreed amount of the original contract should significantly be reduced, and sentenced the company to pay Eur$28,160 thousand and accrued interest to the raw material supplier AH. The reason for the arbitration also states that the raw material supplier AH must deliver 22,908 thousand wafers to the company. After the initial evaluation of the company, it is considered that the judgment did not significantly affect the company's operations and financial business, and the company had listed the preparation of loss at the amount of US$15454 thousand as soon as merger DelSolar Ltd on May 31, 2013, under the contract. To exercise the judgment, the company and the supplier AH had agreed on the payment amount and the delivery of the wafer. According to the result of the agreement, the company had paid the principal amount of EUR$27,500 thousand and the interest payable of EUR$1,175 thousand to the raw material supplier AH in 2018, and both sides no longer exercised the rights and obligations of wafer delivery. As of December 31, 2018, the company has listed a loss of NT$398,581 thousand for the purchase contract and NT$239,274 thousand for the reversal contract.

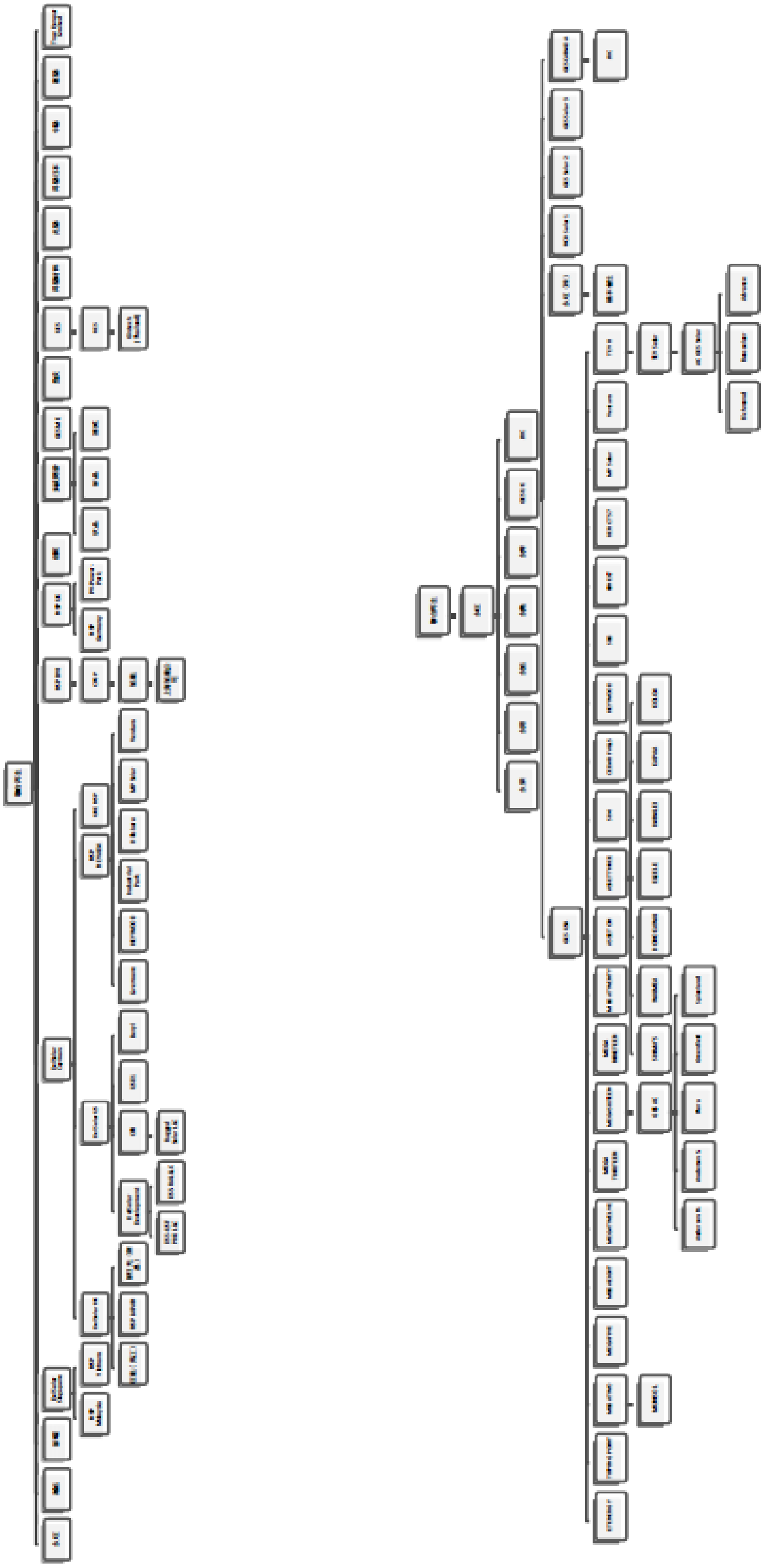
4. CE CE Company had held its controversy with third-party supplier G, and it had been judged by the Hong Kong International Arbitration Center and approved by the Taiwanese court. It applied for seizing the order and transfer order of the company's nuclear payment claims. After the successive lodging objection of the company since February 2016, the company filed a lawsuit against the company to settle the interest of NT$60,480,000 thousand and calculate interest at 5% per annum. In August 2017, the Hsinchu District Court sentenced that the company should pay CE a total of NT$60,480,000 thousand and an interest rate of 5% per annum. However, because of the application of exercising its re-equalization of third-party supplier G in the mainland by CE Company, the company believed that there are many violations in this judgment, and had filed an appeal with the lawyer within the appeal period. Currently, it is tried by the Taiwan High Court. Based on the principle of conservative and conservative, the company has listed a loss that may occur and will make necessary adjustments in the.
5. The gas-offered contract signed by the company and EQ company on May 1, 2011, agreed that EQ company will supply nitrogen and ultra-pure oxygen to the DelSolar Ltd factory in the Hsinchu Science Industrial Park in Zhunan Town, Miaoli County. Afterward, the company merged DelSolar Ltd company in May 2013, generally accepted the rights and obligations of DelSolar Ltd Company regarding the above contract. the company legally terminated the struggling contract in advance in accordance with the contract, article 7.5 mentioned above due to the permanent closing of the Zhunan branch on October 31, 2016. However, as far as the termination fee was calculated and the amount was mentioned in Article 7.5 of the contract, after continuous negotiation, EQ company kept requesting the unreasonable amount, which made the termination fee have not yet reached a consensus. EQ company filed an arbitration with the company in August 2018, requesting payment of NT$60,900,000 thousand and calculating interest at 5% per annum. The company has entrusted lawyers to respond to the unreasonable request of EQ company.
6. The controversy held by CE company and third-party supplier G had been judged by the Hong Kong International Arbitration Center and approved by the Taiwanese court, which had applied for the company's nuclear shipment creditor's order. However, the company had responded to the court that, as soon as it received the order of seizure, it did not have any loan obligation on the third-party supplier G. Therefore, CE Company filed a lawsuit against the company to confirm the existence of the NT$5,000 thousand credit in the Miaoli District Court in Taiwan on March 14, 2016. On September 28, 2018, it had expanded its request for confirmation of the presence of the NT$10,000 thousand creditor's claim. The company's lawsuit against the existence of the confirmed creditor's claim by the company has entrusted the lawyer to respond.

7.6.13 Other Important Risks: None.

VIII.、Special Disclosure

8.1 Summary of Affiliated Companies：

1.Relationship organization chart (As of December 12, 2018)



2.Relationship with Affiliated Companies and Share Crossholdings

2018/12/31 Unit: NTD $1000

Name Of Affiliated Company	Main business items	investment shares			Holding the amount of shares of the company
		Amount	Share	%	
UES	Investment company	1,910,636	61,930	100.00	0
DelSolar Cayman	Investment company	4,597,639	145,126	100.00	0
GES	Electronic component manufacturing and selling	3,070,777	191,200	100.00	0
NSP BVI	Investment company	1,426,179	45,001	100.00	0
GES ME	Solar-related business	418,805	4	100.00	0
Apex Solar Corporation	Solar-related business	145,994	48,500	100.00	0
NSP System	Solar-related business	144,200	14,420	100.00	0
NSP UK	Investment company	138,967	3,580	100.00	0
Prime Energy Corp	Electronic component manufacturing and selling	90,000	9,000	100.00	0
New Ray Investment Corp	Investment company	115,000	11,500	100.00	0
SEC Japan	Solar-related business	36,205	2	100.00	0
Zhong Yang Corp.	Solar-related business	24,121	3,500	100.00	0
Huiyang Solar Corporation	Solar-related business	30,427	3,100	100.00	0
DelSolar Singapore	Investment company	29,743	1,250	100.00	0
Best Power Service Corp	Solar-related business	6,000	600	60.00	0
Solartech Materials Corporation	Solar-related business	9,720	1,000	100.00	0
True Honour Limited	Investment company	0	0	0.00	0
Utech Solar Corporation	Electronic component manufacturing	57,169	63,675	98.30	1,883
Neo Cathy	Investment company	600,000	60,000	40.00	0
TSST	Solar-related business	417,692	97,701	42.12	0
Chairman, V5 Technologies	Electronic component manufacturing and selling	114,084	7,790	41.43	0
Gintung Energy Corporation	Electronic component manufacturing	34,341	13,460	36.38	0
J&V Energy Technology Co. , Ltd	Solar-related business	10,500	1,050	35.00	0
Sunshine PV Corporation	Solar-related business	0	13,281	19.47	0
Solar PV	Investment company	0	30,500	19.92	0
RES	Investment company	1,971,918	61,930	100.00	0
Gintech (Thailand)	Solar-related business	1,964,202	29,466	100.00	0
Yongliang Corp.	Solar-related business	249,000	24,900	100.00	0
Yong Han Corp.	Solar-related business	0	0	0.00	0
Yong Han Corp.	Solar-related business	0	0	0.00	0
Yong Zhou Ltd.	Solar-related business	41,500	0	100.00	0
Ever Lite Power Inc.	Electronic component manufacturing and selling	6,000	0	100.00	0
Yong Yao Ltd.	Solar-related business	142,000	14,200	100.00	0
Yong Shun Ltd	Solar-related business	2,000	200	100.00	0
JRC	Solar-related business	3,717	1	1.00	0
GES UK	Investment company	3,170,893	103,890	100.00	0
GES USA	Investment company	1,185,163	39,680	100.00	0
NCH Solar1	Solar-related business	414,684	7,947	100.00	0
GES Solar2	Solar-related business	61,326	1,021	100.00	0
GES Solar3	Solar-related business	3,328	67	100.00	0
GES CANADA	Investment company	371,356	10,540	100.00	0
GES JAPAN	Investment company	665,781	221	100.00	0
ET ENERGY	Solar-related business	141,220	4,800	100.00	0
TIPPING POINT	Solar-related business	34,471	1,155	100.00	0
MEGATWO	Solar-related business	441,462	14,687	100.00	0
MEGATHREE	Solar-related business	38,606	1,284	40.00	0
MEGAFIVE	Solar-related business	19,527	635	100.00	0

Name Of Affiliated Company	Main business items	investment shares			Holding the amount of shares of the company
		Amount	Share	%	
MEGASIX	Solar-related business	0	0	0.00	0
MEGASEVEN	Solar-related business	0	0	0.00	0
MEGAEIGHT	Solar-related business	25,843	790	100.00	0
MEGAELEVEN	Solar-related business	0	0	0.00	0
MEGATWELVE	Solar-related business	5,204	168	100.00	0
MEGATHIRTEEN	Solar-related business	58,890	2,000	100.00	0
MEGAFIFTEEN	Solar-related business	0	0	0.00	0
MEGASIXTEEN	Solar-related business	351,772	11,981	100.00	0
MEGASEVENTEEN	Solar-related business	0	0	0.00	0
MEGANINETEEN	Solar-related business	4,025	132	100.00	0
MEGATWENTY	Solar-related business	3,769	124	100.00	0
ASSET ONE	Solar-related business	34,229	1,060	100.00	0
ASSET TWO	Solar-related business	0	0	0.00	0
ASSET THREE	Solar-related business	87,289	2,839	100.00	0
ASSET FOUR	Solar-related business	0	0	0.00	0
CENERGY	Solar-related business	0	0	0.00	0
SH4	Solar-related business	20,665	619	100.00	0
CEDAR FALLS	Solar-related business	70,428	2,287	100.00	0
Schenectady	Solar-related business	0	0	0.00	0
VOC	Solar-related business	0	0	0.00	0
HEYWOOD	Solar-related business	55,424	0	55.00	0
SEG	Solar-related business	24,144	800	100.00	0
KINECT	Solar-related business	8,143	266	100.00	0
RER CT 57	Solar-related business	62,093	2,031	100.00	0
MP Solar	Solar-related business	99,128	0	55.00	0
Ventura	Solar-related business	91,867	3,013	55.00	0
TEV II	Solar-related business	3,018	0	50.00	0
GES FUKUSHIMA	Solar-related business	0	0	0.00	0
GES KYUSHU	Solar-related business	55,893	5	100.00	0
JRC	Solar-related business	371,967	74	99.00	0
MUNISOL	Solar-related business	418,778	14,687	100.00	0
SHIMA'S	Solar-related business	4,496	153	100.00	0
WAIMEA	Solar-related business	16,185	526	100.00	0
HONOKAWAI	Solar-related business	12,260	418	100.00	0
ELEELE	Solar-related business	19,589	637	100.00	0
HANALEI	Solar-related business	8,595	280	100.00	0
KAPAA	Solar-related business	23,391	761	100.00	0
KOLOA	Solar-related business	17,506	569	100.00	0
GES AC	Solar-related business	738,518	0	67.59	0
ANDERSON N.	Solar-related business	410,752	13,507	100.00	0
ANDERSON S.	Solar-related business	348,325	11,454	100.00	0
FLORA	Solar-related business	58,235	1,915	100.00	0
GREENFIELD	Solar-related business	262,480	8,631	100.00	0
SPICELAND	Solar-related business	38,767	1,275	100.00	0
TEV Solar	Solar-related business	3,017	0	100.00	0
AC GES Solar	Solar-related business	593,754	19,675	66.19	0
RICHMOND	Solar-related business	581,226	19,259	100.00	0
RENSSELAER	Solar-related business	299,760	9,933	100.00	0
ADVANCE	Solar-related business	16,106	534	100.00	0

Name Of Affiliated Company	Main business items	investment shares			Holding the amount of shares of the company
		Amount	Share	%	
CFY	Investment company	1,198,860	9,672	26.01	0
CFGP	Solar operation management services	184,440	30	60.00	0
NSP Stars	Trust Company	0	0	0.00	0
NSP HK	Solar-related business	0	0	0.00	0
DelSolar HK	Investment company	3,848,648	125,200	100.00	0
DelSolar US	Investment company	454,952	1	100.00	0
NSP NEVADA	Solar-related business	157,543	0	100.00	0
URE NSP	Solar-related business	15,370	500	100.00	0
DelSolar India	Solar-related business	0	0	0.00	0
NSP Malaysia	Technical management services	23,362	760	100.00	0
NSP Vietnam	Technical management services	4,918	0	100.00	0
NSP Germany	Solar-related business	662	25	90.00	0
PV Power Park	Solar-related business	779	0	100.00	0
NSP Indygen	Solar-related business	0	0	100.00	0
Hsin Jin Optoelectronics	Solar-related business	10,647	0	80.00	0
Hsin Jin Solar Energy	Solar-related business	13,981	0	60.00	0
Si Two Corp.	Solar-related business	20,000	2,000	100.00	0
XYH (Suzhou) Energy Ltd.	Solar-related business	0	0	100.00	0
Clean Focus GP (HK) Limited	Solar operation management services	16,292	0	100.00	0
DelSolar (Wu Jiang) Ltd.	Solar-related business	3,688,800	0	100.00	0
NSP Japan Inc.	Solar-related business	2,982	1	100.00	0
Neo Solar Power (Nanchang) Ltd.	Solar-related business	153,700	0	11.36	0
Livermore	Solar-related business	4,611	0	75.00	0
MEGASEVEN	Solar-related business	0	0	0.00	0
MEGAELEVEN	Solar-related business	0	0	0.00	0
MEGAFIFTEEN	Solar-related business	0	0	0.00	0
HEYWOOD	Solar-related business	44,512	0	45.00	0
Industrial Park	Solar-related business	12,296	0	100.00	0
Hillsboro	Solar-related business	57,245	0	100.00	0
MP Solar	Solar-related business	81,768	0	45.00	0
Ventura	Solar-related business	75,774	0	45.00	0
DelSolar Development	Solar-related business	149,089	0	100.00	0
CFR	Solar-related business	134,334	0	100.00	0
USD1	Solar-related business	110,111	0	100.00	0
JV2	Solar-related business	25,514	0	67.00	0
Beryl	Solar-related business	0	0	100.00	0
POTTERS BAR	Solar-related business	0	0	0.00	0
CLAY CROSS	Solar-related business	0	0	0.00	0
BELPER	Solar-related business	0	0	0.00	0
Bryncrynau	Solar-related business	0	0	0.00	0
Meadowley	Solar-related business	0	0	0.00	0
Neo Solar Power (Nanchang) Ltd.	Solar-related business	1,198,860	0	88.64	0
DSS-USF PHX LLC	Solar-related business	42,114	0	100.00	0
DSS-RAL LLC	Solar-related business	78,541	0	100.00	0
Rugged solar LLC	Solar-related business	60,102	0	0.00	0
AVS Phase 2 LLC	Solar-related business	282,801	0	0.00	0
Clear Solar I LLC	Solar-related business	0	0	0.00	0
CEC Solar #1117	Solar-related business	0	0	0.00	0
CEC Solar #1118	Solar-related business	0	0	0.00	0

Name Of Affiliated Company	Main business items	investment shares			Holding the amount of shares of the company
		Amount	Share	%	
CEC Solar #1119	Solar-related business	0	0	0.00	0
CEC Solar #1121	Solar-related business	0	0	0.00	0
CEC Solar #1122	Solar-related business	0	0	0.00	0
CEC Solar #1128	Solar-related business	0	0	0.00	0
CEC Solar #1130	Solar-related business	0	0	0.00	0
CEC Solar #1133	Solar-related business	0	0	0.00	0
Ewauna	Solar-related business	0	0	0.00	0
Long Beach	Solar-related business	0	0	0.00	0
Randolph	Solar-related business	0	0	0.00	0
Roseville	Solar-related business	0	0	0.00	0
NHSG	Solar-related business	0	0	0.00	0
DevCo One	Solar-related business	13,655	0	40.00	0
DevCo Two	Solar-related business	13,655	0	40.00	0
Clean Focus GP (Shanghai) Limited	Solar operation management services	16,292	0	100.00	0
CFY	Investment company	0	0	2.66	0

3.Accourding to Company Act. Article 369-3, it shall be concluded as the existence of the controlling and subordinate relation ：Please refer above form

4. It shall be concluded as the existence of the controlling and subordinate relation of the board members：Please refer below form.

5.Relation compnies of business scope ：In solar cell module manufacturing and related system construction and development

6. List of Directors, Supervisors and Presidents of Affiliated Companies

2018/12/31 Unit:1,000 Shares

Name of affiliated company	Title	Name or representative	Shares held	
			Shares or capita	(%)
General Energy Solutions Inc	Chairman	URE Delegate: Hong, Chum-Sam	191,200	100
	Director	URE Delegate: Lin, Kun-Si	191,200	100
	Director	URE Delegate: Su,Yuan-Liang	191,200	100
	Director	URE Delegate: Syu,Jia-Cheng	191,200	100
	Director	URE Delegate: Marco Hu	191,200	100
	Supervisor	URE Delegate: Andy Shen	191,200	100
	Supervisor	URE Delegate: Gong,Jhong-Rong	191,200	100
	Business President	Su,Yuan-Liang	—	—
Prime Energy Corp	Chairman	URE Delegate: Hong, Chum-Sam	9,000	100
	Director	URE Delegate: Andy Shen	9,000	100
	Director	URE Delegate: Syu,Jia-Cheng	9,000	100
	Supervisor	URE Delegate: Simon Li	9,000	100
New Ray Investment Corp	Chairman	URE Delegate: Andy Shen	11,500	100
	Director	URE Delegate: Lin, Kun-Si	11,500	100
	Director	URE Delegate:: Marco Hu	11,500	100
	Supervisor	URE Delegate: Syu,Jia-Cheng	11,500	100
DelSolar Holding (Cayman) Ltd.	Director	Hong, Chum-Sam	145,126	100
	Director	Andy Shen	145,126	100
	Director	Syu,Jia-Cheng	145,126	100
DelSolar Holding Singapore Pte Ltd.	Director	Hong, Chum-Sam	1,250	100
	Director	Andy Shen	1,250	100
	Director	Li,Wei-Syong	1,250	100
NSP Systems (BVI) Ltd.	Director	Hong, Chum-Sam	45,001	100
	Director	Andy Shen	45,001	100
	Director	Syu,Jia-Cheng	45,001	100
NSP UK Holding Limited	Director	Hong, Chum-Sam	3,580	100
	Director	Andy Shen	3,580	100
	Director	Syu,Jia-Cheng	3,580	100
	Director	Thomas Sandner	3,580	100
Best Power Service Corp	Chairman	URE Delegate: Andy Shen	600	60
	Director	URE Delegate: Gong,Jhong-Rong	600	60
	Vice Chairman	Qi-An Technology Co., Ltd Delegate: Chen,Ying-Yao	400	40
	Director	URE Delegate: Simon Li	600	60
	Director	Qi-An Technology Co., Ltd Delegate: Jhou,Yao-Yuan	400	40
	Supervisor	Rita Yang	—	—
	Supervisor	Chen,Wei-Yu	—	—
	Business President	Chen,Wun-Jie	—	—
NSP System Development Corp	Chairman	URE Delegate: Hong, Chum-Sam	14,420	100
	Director	URE Delegate: Pan,lay-lay	14,420	100
	Director	URE Delegate: Simon Li	14,420	100
	Supervisor	URE Delegate: Helen Luo	14,420	100
GES Energy Middle East FZE	Director	Su,Yuan-Liang	4	100

Name of affiliated company	Title	Name or representative	Shares held	
			Shares or capita	(%)
Utech Solar Corporation	Chairman	Lin,Rong-Sheng	—	—
	Director	URE Delegate: Pan.Wen-Whe、Stone.Liu	63,675	
	Supervisor	Pan,lay-lay	—	—
Ultimate Energy Solution Limited	Director	Pan.Wen-Whe	61,930	100
Renewable Eergy Solution Limited	Director	Pan.Wen-Whe	61,930	100
Gintech (Thailand) Limited	Chairman	Pan.Wen-Whe	29,466	100
	Director	Stone.Liu、Ms.Yen	29,466	100
Solartech Materials Corporation	Chairman	URE Delegate:Andy Shen	1,000	100
	Director	URE Delegate: Ben.Pan、Zeng,Sheng-Cheng	1,000	100
	Supervisor	URE Delegate: Pan,lay-lay	1,000	100
Apex Solar Corporation	Chairman	URE Delegate: Andy Shen	48,500	100
	Director	URE Delegate: Simon Li 、 Zeng,Sheng-Cheng	48,500	100
	Supervisor	URE Delegate: Pan,lay-lay	48,500	100
SOLARTECH Japan	Supervisor	Huang Wei、Jhang,Jin-Long、Zeng,Sheng-Cheng	2	100
Zhong Yang Corp.	Chairman	URE Delegate: Hong, Chum-Sam	3,500	100
	Director	URE Delegate: Pan.Wen-Whe、Simon Li	3,500	100
	Supervisor	URE Delegate: Pan,lay-lay	3,500	100
Huiyang Solar Corporation	Chairman	URE Delegate: Simon Li	3,100	100
	Director	URE Delegate: Rita Yang、Sophia.Chen	3,100	100
	Supervisor	URE Delegate: Pan,lay-lay	3,100	100
DelSolar US Holdings (Delaware) Corp.	Director	Hong, Chum-Sam	1	100
	Director	Syu,Jia-Cheng	1	100
	Director	Simon Li	1	100
DelSolar (HK) Ltd.	Director	Hong, Chum-Sam	125,200	100
	Director	Andy Shen	125,200	100
	Director	Syu,Jia-Cheng	125,200	100
URE NSP Corporation	Director	Chen,Yu-Jhong	500	100
NSP HK Holding Limited	Director	Syu,Jia-Cheng	—	—
	Director	Andy Shen	—	—
	Director	Syu,Jia-Cheng	—	—
NSP SYSTEM NEVADA HOLDING CORP	Director	Hong, Chum-Sam	—	100
	Director	Syu,Jia-Cheng	—	100
	Director	Simon Li	—	100
NSP Germany GmbH	Director	Andy Shen Ciou,Shih-Cian Wun,Jhih-Jhong	25	90
	Director	Thomas Sandner Delegate: Syu,Jia-Cheng	2.78	10
Hsin Jin Optoelectronics	Chairman	NSP System: Simon Li	—	80
	Director	NSP Syste Delegate: Syu,Jia-Cheng	—	80
	Director	NSP Syste Delegate: Chen,Kai-Lin	—	80
Hsin Jin Optoelectronics	Chairman	NSP Syste Delegate: Syu,Jia-Cheng	—	60
	Director	NSP Syste Delegate: Syu,Jia-Cheng	—	60
	Director	Hsin Jin Solar Energy Co., Ltd. YOU,JIE-JYUN	—	40
Si Two Corp	Chairman	NSP Syste Delegate: Hong, Chum-Sam	2,000	100
	Director	NSP Syste Delegate: Andy Shen、Syu,Jia-Cheng	2,000	100
	Supervisor	NSP Syste Delegate: Chen,Yu-Jhong	2,000	100

Name of affiliated company	Title	Name or representative	Shares held	
			Shares or capita	(%)
DelSolar(Wu Jiang) Ltd.	Chairman	Andy Shen	—	100
	Director	Syu,Jia-Cheng	—	100
	Director	CC Lai	—	100
	Supervisor	Simon Li	—	100
	Business President	CC Lai	—	100
NSP Japan Inc. (“NSP Japan”)	Director	Hong, Chum-Sam	1	100
	Director	Andy Shen	1	100
	Director	Siao Song,Jyun-Yi	1	100
	Supervisor	Simon Li	1	100
Neo Solar Power (Nanchang) Ltd	Chairman	Andy Shen	—	100
	Director	Syu,Jia-Cheng	—	100
	Director	CC Lai	—	100
	Supervisor	Simon Li	—	100
	Business President	CC Lai	—	100
DelSolar Development (Delaware) LLC.	Business President	Simon Li	—	100
Clean Focus Renewables Inc.	Director	Hong, Chum-Sam	—	100
	Director	Syu,Jia-Cheng	—	100
	Director	John Chang	—	100
	Business President	Stanley Chin	—	100
USD1 Owner LLC	Manager	John Chang	—	100
	Manager	Stanley Chin		100
Beryl Construction LLC	Manager	John Chang		100
	Manager	Stanley Chin		100
XYH (Suzhou) Energy Ltd. (“XYH Suzhou”)	Chairman	Marco Hu	—	100
	Director	Syu,Jia-Cheng	—	100
	Director	Simon Li	—	100
	Supervisor	Ciou,Shih-Cian	—	100
	Business President	Simon Li	—	100
DSS-USF PHX LLC	Manager	Simon Li	—	100
DSS-RAL LLC	Manager	Simon Li	—	100
Clean Focus GP Limited	Director	Syu,Jia-Cheng	30	60
	Director	Andy Shen	30	60
	Director	Syu,Jia-Cheng	30	60
	Director	John Chang	30	60
	Director	Stanley Chin	30	60
Neo Solar Power Malaysia Sdn. Bhd	Director	Lee Tee Hiang	760	100
Neo Solar Power Vietnam Co. Ltd	Director	Hong, Chum-Sam	—	—
	Director	Wang,Jhong-Lin	—	—
	Delegate	CY Li	—	100
Pv-Power-Park Prol Verwaltings GmbH	Director	Syu,Jia-Cheng	—	100
	Director	Thomas Sandner	—	100
NSP Indygen UK Ltd.	Director	Jhang,You-Sheng	—	100
	Director	Huang,Jing-Ning	—	100

Name of affiliated company	Title	Name or representative	Shares held	
			Shares or capita	(%)
	Director	David Ashton	—	100
Clean Focus GP (HK) Limited	Director	John Chang	—	100
Livermore Community Solar Farm, LLC	Manager	Simon Li	—	100
Industrial Park Drive Solar, LLC	Manager	Simon Li	—	100
Hillsboro Town Solar, LLC	Manager	Simon Li	—	100
Heywood Solar PGS, LLC	Director	Su,Yuan-Liang、Jack Chen、Jhong,Tian-Hao	—	100
MP Solar, LLC	Director	Su,Yuan-Liang、 Jack Chen、Jhong,Tian-Hao	—	100
Ventura Solar LL	Director	Su,Yuan-Liang、Jack Chen、Jhong,Tian-Hao	—	100
Clean Focus GP (Shanghai) Limited.	Delegate	Jhang,Hai-Tao	—	—
Rugged Solar LLC	Manager	Stanley Chin	—	—
Yong Liang Ltd	Chairman	GES Delegate: Su,Yuan-Liang	24,900	100
	Director	GES Delegate: Hong, Chum-Sam	24,900	100
	Director	GES Delegate:Jhong,Tian-Hao	24,900	100
	Supervisor	GES Delegate: Andy Shen	24,900	100
Yong Zhou Ltd.	Chairman	GES Delegate: Su,Yuan-Liang	—	100
	Director	GES Delegate: Hong, Chum-Sam	—	100
	Director	GES Delegate: Andy Shen	—	100
Ever Lite Power Inc.	Chairman	GES Delegate: Su,Yuan-Liang	—	100
	Director	GES Delegate: Hong, Chum-Sam	—	100
	Director	GES Delegate: Andy Shen	—	100
Yong Yao Ltd. (“Yong Yao”)	Chairman	GES Delegate: Su,Yuan-Liang	14,200	100
	Director	GES Delegate: Hong, Chum-Sam	14,200	100
	Director	GES Delegate:Jhong,Tian-Hao	14,200	100
	Supervisor	GES Delegate: Andy ShenAndy Shen	14,200	100
Yong Shun Ltd. (“Yong Shun”)	Chairman	GES Delegate: Su,Yuan-Liang	200	100
	Director	GES Delegate: Hong, Chum-Sam	200	100
	Director	GES Delegate:Jhong,Tian-Hao	200	100
	Supervisor	GES Delegate: Andy Shen	200	100
General Energy Solutions UK Limited	Director	Su,Yuan-Liang	103,890	100
General Energy Solutions USA, Inc.	Manager	Hong, Chum-Sam	39,680	100
	Manager	Su,Yuan-Liang	39,680	100
	Manager	Jack Chen	39,680	100
General Energy Solutions CANADA, Inc.	Director	James G. Smeltzer	10,540	100
	Director	Su,Yuan-Liang	10,540	100
	Director	Helen Luo	10,540	100
	Director	Jhong,Tian-Hao	10,540	100
ELECTRONIC J.R C.,S.R.L	Manager	Su,Yuan-Liang	75	100
	Manager	Helen Luo	75	100
	Manager	Jhong,Tian-Hao	75	100
NCH Solar1 Limited	Director	Su,Yuan-Liang	7,947	100
	Director	Helen Luo	7,947	100
GES Solar2 Limited	Director	Su,Yuan-Liang	1,021	100
	Director	Helen Luo	1,021	100

Name of affiliated company	Title	Name or representative	Shares held	
			Shares or capita	(%)
GES Solar3 Limited	Director	Su,Yuan-Liang	67	100
	Director	Helen Luo	67	100
GES JAPAN CORPORATION (“GES JAPAN”)	Chairman	Su,Yuan-Liang	221	100
	Director	Helen Luo	221	100
	Director	Jhong,Tian-Hao	221	100
	Supervisor	Cai,Hong-Wun	221	100
Hashimoto Corporation	Chairman	Su,Yuan-Liang	5	100
	Director	Cai,Nian-Fang	5	100
	Director	Jhong,Tian-Hao	5	100
ET ENERGY SOLUTIONS LLC(ET ENERGY)	Manager	Su,Yuan-Liang	4,800	100
	Manager	Jack Chen	4,800	100
	Manager	Jhong,Tian-Hao	4,800	100
TIPPING POINT ENERGY COC PPA SPE 1, LLC	Manager	Su,Yuan-Liang	1,155	100
	Manager	Jack Chen	1,155	100
	Manager	Jhong,Tian-Hao	1,155	100
MegaTwo, LLC	Manager	Su,Yuan-Liang	14,687	100
	Manager	Jack Chen	14,687	100
	Manager	Jhong,Tian-Hao	14,687	100
GES MegaThree, LLC	Manager	N/A	1,284	40
GES MegaFive, LLC	Manager	Su,Yuan-Liang	635	100
	Manager	Jack Chen	635	100
	Manager	Jhong,Tian-Hao	635	100
GES MegaSix, LLC	Manager	Su,Yuan-Liang	—	—
	Manager	Jack Chen	—	—
	Manager	Jhong,Tian-Hao	—	—
GES MegaSeven, LLC	Manager	Su,Yuan-Liang	—	55
	Manager	Jack Chen	—	55
	Manager	Jhong,Tian-Hao	—	55
GES MegaEight, LLC	Manager	Su,Yuan-Liang	790	100
	Manager	Jack Chen	790	100
	Manager	Jhong,Tian-Hao	790	100
GES MegaEleven, LLC	Manager	Su,Yuan-Liang	—	55
	Manager	Jack Chen	—	55
	Manager	Jhong,Tian-Hao	—	55
GES MegaTwelve, LLC	Manager	Su,Yuan-Liang	168	100
	Manager	Jack Chen	168	100
	Manager	Jhong,Tian-Hao	168	100
GES MegaThirteen, LLC	Manager	Su,Yuan-Liang	2,000	—
	Manager	Jack Chen	2,000	—
	Manager	Jhong,Tian-Hao	2,000	—
GES MegaFifteen, LLC	Manager	Su,Yuan-Liang	—	55
	Manager	Jack Chen	—	55
	Manager	Jhong,Tian-Hao	—	55

Name of affiliated company	Title	Name or representative	Shares held	
			Shares or capita	(%)
GES MegaSixteen, LLC	Manager	Su,Yuan-Liang	11,981	—
	Manager	Jack Chen	11,981	—
	Manager	Jhong,Tian-Hao	11,981	—
GES MegaNineteen, LLC	Manager	Su,Yuan-Liang	132	100
	Manager	Jack Chen	132	100
	Manager	Jhong,Tian-Hao	132	100
GES MegaTwenty, LLC	Manager	Su,Yuan-Liang	124	100
	Manager	Jack Chen	124	100
	Manager	Jhong,Tian-Hao	124	100
GES ASSET ONE, LLC	Manager	Su,Yuan-Liang	1,060	100
	Manager	Jack Chen	1,060	100
	Manager	Jhong,Tian-Hao	1,060	100
GES ASSET TWO, LLC	Manager	Su,Yuan-LiangSu,Yuan-Liang	—	—
	Manager	Jack Chen	—	—
	Manager	Jhong,Tian-Hao	—	—
GES ASSET THREE, LLC	Manager	Su,Yuan-Liang	2,839	100
	Manager	Jack Chen	2,839	100
	Manager	Jhong,Tian-Hao	2,839	100
GES ASSET FOUR, LLC	Manager	Su,Yuan-Liang	—	—
	Manager	Jack Chen	—	—
	Manager	Jhong,Tian-Hao	—	—
CENERGY PORTFOLIO LLC	Manager	Su,Yuan-Liang	—	—
	Manager	Jack Chen	—	—
	Manager	Jhong,Tian-Hao	—	—
SH4 SOLAR LLC	Manager	Su,Yuan-Liang	619	100
	Manager	Jack Chen	619	100
	Manager	Jhong,Tian-Hao	619	100
Ceder Falls Solar Farm, LLC	Manager	Su,Yuan-Liang	2,287	100
	Manager	Jack Chen	2,287	100
	Manager	Jhong,Tian-Hao	2,287	100
Schenectady Solar, LLC	Manager	Su,Yuan-Liang	—	—
	Manager	Jack Chen	—	—
	Manager	Jhong,Tian-Hao	—	—
Village of Coxsackie Municipal Solar Project One, LLC	Manager	Su,Yuan-Liang	—	—
	Manager	Jack Chen	—	—
	Manager	Jhong,Tian-Hao	—	—
SEG MI 57 LLC	Manager	Su,Yuan-Liang	800	100
	Manager	Jack Chen	800	100
	Manager	Jhong,Tian-Hao	800	100
Kinect Solar Fund 1, LLC	Manager	Su,Yuan-Liang	266	100
	Manager	Jack Chen	266	100
	Manager	Jhong,Tian-Hao	266	100
RER CT 57, LLC	Manager	Su,Yuan-Liang	2,031	100

Name of affiliated company	Title	Name or representative	Shares held	
			Shares or capita	(%)
	Manager	Jack Chen	2,031	100
	Manager	Jhong,Tian-Hao	2,031	100
TEV II, LLC	Manager	Su,Yuan-Liang	0.2	50
	Manager	Jack Chen	0.2	50
	Manager	Jhong,Tian-Hao	0.2	50
GES MegaSeventeen, LLC	Manager	Su,Yuan-Liang	—	—
	Manager	Jack Chen	—	—
	Manager	Jhong,Tian-Hao	—	—
Munisol S.A. de C.V.	Manager	Su,Yuan-Liang	14,891	100
	Manager	Jack Chen	14,891	100
	Manager	Jhong,Tian-Hao	14,891	100
GES ASSET Three Shima's, LLC	Manager	Su,Yuan-Liang	153	100
	Manager	Jack Chen	153	100
	Manager	Jhong,Tian-Hao	153	100
GES ASSET Three Waimea, LLC	Manager	Su,Yuan-Liang	526	100
	Manager	Jack Chen	526	100
	Manager	Jhong,Tian-Hao	526	100
GES ASSET Three Honokowai, LLC	Manager	Su,Yuan-Liang	418	100
	Manager	Jack Chen	418	100
	Manager	Jhong,Tian-Hao	418	100
GES ASSET Three Eleele, LLC	Manager	Su,Yuan-Liang	637	100
	Manager	Jack Chen	637	100
	Manager	Jhong,Tian-Hao	637	100
GES ASSET Three Hanalei, LLC	Manager	Su,Yuan-Liang	280	100
	Manager	Jack Chen	280	100
	Manager	Jhong,Tian-Hao	280	100
GES ASSET Three Kappa, LLC	Manager	Su,Yuan-Liang	761	100
	Manager	Jack Chen	761	100
	Manager	Jhong,Tian-Hao	761	100
GES ASSET Three Koloa, LLC	Manager	Su,Yuan-Liang	569	100
	Manager	Jack Chen	569	100
	Manager	Jhong,Tian-Hao	569	100
GES AC SOLAR 2017, LLC	Manager	Su,Yuan-Liang	0.1	67.59
	Manager	Jack Chen	0.1	67.59
	Manager	Jhong,Tian-Hao	0.1	67.59
Anderson North Solar Project LLC.	Manager	Su,Yuan-Liang	13,507	100
	Manager	Jack Chen	13,507	100
	Manager	Jhong,Tian-Hao	13,507	100
Anderson South Solar Project LLC	Manager	Su,Yuan-Liang	11,454	100
	Manager	Jack Chen	11,454	100
	Manager	Jhong,Tian-Hao	11,454	100
Flora Solar Project LLC	Manager	Su,Yuan-Liang	1,915	100
	Manager	Jack Chen	1,915	100

Name of affiliated company	Title	Name or representative	Shares held	
			Shares or capita	(%)
	Manager	Jhong,Tian-Hao	1,915	100
GREENFIELD SOLAR PROJECT LLC	Manager	Su,Yuan-Liang	8,631	100
	Manager	Jack Chen	8,631	100
	Manager	Jhong,Tian-Hao	8,631	100
Spiceland Solar Project LLC	Manager	Su,Yuan-Liang	1,275	100
	Manager	Jack Chen	1,275	100
	Manager	Jhong,Tian-Hao	1,275	100
TEV Solar Alpha18 LLC	Manager	Jack Chen	0.1	100
AC GES Solar 2018 LLC	Manager	Jack Chen	19,675	66.19
Richmond 2 Solar Park, LLC	Manager	Su,Yuan-Liang	19,259	100
	Manager	Jack Chen	19,259	100
	Manager	Jhong,Tian-Hao	19,259	100
Rensselaer 2 Solar Park, LLC	Manager	Su,Yuan-Liang	9,933	100
	Manager	Jack Chen	9,933	100
	Manager	Jhong,Tian-Hao	9,933	100
Advance Solar Park, LLC	Manager	Su,Yuan-Liang	534	100
	Manager	Jack Chen	534	100
	Manager	Jhong,Tian-Hao	534	100

7. Relationship Enterprise Operation Overview：

2018/12/31 Unit:1,000 Shares

Relationship company name	Capital amount	Total assets	Total liabilities	net worth	Operating income	Operating profit and loss	After-tax (loss) benefits
UES	61,930	59,440	—	59,440	—	—	(2,891)
DelSolar Cayman	145,126	58,201	—	58,201	—	(4)	(11,820)
GES	1,912,002	3,910,879	2,346,591	1,564,288	239,598	(157,572)	(369,132)
NSP BVI	45,001	46,243	—	46,243	—	—	1,775
GES ME	12,200	30,910	18,676	12,234	382	112	112
Apex Solar Corporation	485,000	399,276	241,936	157,341	6,190	897	7,756
NSP System Development Corp	144,200	628,393	459,971	168,423	335,157	(1,159)	18,796
NSP UK	3,580	5,678	2,002	3,676	—	(14)	652
Prime Energy Corp	90,000	80,312	90	80,222	—	(343)	(152)
New Ray Investment Corp	115,000	64,352	90	64,262	—	(188)	1,313
Solartech Japan	49,000	129,051	5,596	123,455	4,659	(10,457)	(9,847)
Zhong Yang Corp.	35,000	210,530	179,090	31,439	712,943	7,276	7,318
Huiyang Solar Corporation	31,000	30,472	178	30,295	—	(174)	(132)
DelSolar Singapore	1,250	608	—	608	—	(14)	1,590
Best Power Service Corp	10,000	43,427	18,627	24,800	97,444	10,155	8,135
Solartech Materials Corporation	10,000	9,973	315	9,658	4,149	(83)	(62)
True Honour Limited	—	—	—	—	—	—	47
Utech Solar Corporation	647,750	2,862,035	2,662,264	199,772	115,426	(168,369)	(186,513)
Neo Cathy Power Corp	1,500,000	1,547,863	5,622	1,542,241	—	(2,341)	44,306
TSST	241,955	126,340	2,756	123,584	1,584	(42,607)	(42,363)
Chairman, V5 Technologies	188,008	139,322	23,652	115,671	110,072	1,557	1,687
gintung energy corporation	370,000	1,029,725	905,269	124,456	435,763	22,087	27,717
J&V Energy Technology Co. , Ltd	30,000	66,336	44,812	21,524	203,463	(5,267)	(5,095)
Sunshine Pv Corporation	682,015	1,011,248	1,139,225	(127,977)	795	(20,323)	(20,676)
RES	61,930	59,440	—	59,440	—	(1)	(8,275)
Gintech (Thailand)	2,083,970	2,827,002	919,616	1,907,387	2,340,639	(263,822)	(195,427)
Yong Liang Ltd	249,000	544,464	293,654	250,810	19,278	(2,338)	1,382
Yong Han Corp	116,000	452,966	335,247	117,719	2,856	1,299	499

Relationship company name	Capital amount	Total assets	Total liabilities	net worth	Operating income	Operating profit and loss	After-tax (loss) benefits
Yun Yeh Energy INC	8,000	23,513	15,298	8,215	434	276	171
Yong Zhou Ltd	41,500	7,434	375	7,059	214	(5,998)	(5,576)
Ever Lite Power Inc	6,000	8,202	1,231	6,971	48,495	438	273
Yong Yao Ltd	142,000	422,525	282,431	140,093	—	(1,799)	(1,794)
Yong Shun Ltd	2,000	1,019	105	914	—	(1,065)	(1,064)
GES UK	103,890	107,766	20,470	87,296	—	(1,354)	(7,336)
GES USA	39,680	72,316	37,137	35,180	—	—	—
NCH Solar1	7,947	8,636	76	8,560	508	196	196
GES Solar2	1,022	736	36	700	50	2	2
GES Solar3	67	62	135	(73)	5	(19)	(19)
GES CANADA	12,025	9,454	2,137	7,317	—	(7)	(7,323)
GES JAPAN CORPORATION	1,382,165	2,649,705	11,687	2,638,017	—	(99,642)	458,580
ET ENERGY	4,800	26,670	22,020	4,650	1,213	718	(130)
TIPPING POINT	1,155	1,459	535	924	3	(3)	(4)
MEGATWO	14,687	11,685	1,463	10,221	—	(382)	(368)
MEGATHREE	2,868	2,867	83	2,784	294	58	58
MEGAFIVE	635	1,638	998	640	132	97	96
MEGASIX		2,512	2,566	(53)	—	(8)	(9)
MEGASEVEN	—	—	—	—	—	(15)	(16)
MEGAEIGHT	790	1,170	380	790	35	23	(1)
MEGAELEVEN	—	—	—	—	—	(9)	(9)
MEGATWELVE	168	498	370	127	14	2	(21)
MEGATHIRTEEN	2,000	4,075	2,154	1,920	153	43	(48)
MEGAFIFTEEN	—	—	—	—	—	(31)	(31)
MEGASIXTEEN	11,981	25,019	13,648	11,372	—	(77)	(609)
MEGASEVENTEEN		154	155	(1)	—	(1)	(1)
MEGANINETEEN	132	429	324	105	12	(32)	(33)
MEGATWENTY	124	612	440	171	41	34	33
ASSET ONE	1,060	1,097	2	1,096	53	41	40
ASSET TWO			7	(7)	—	(1)	(1)
ASSET THREE	2,839	6,717	4,448	2,268	—	(16)	(164)
ASSET FOUR	—	—	6	(6)	—	(2)	(2)
CENERGY	—	948	7	942	—	(4)	(5)
SH4	619	623	6	617	20	1	
CEDAR FALLS	2,287	3,498	1,169	2,329	168	124	50
Schenectady	—	928	1,109	(181)	—	—	(10)
VOC	—	241	284	(44)	—	(5)	(5)
HEYWOOD	3,218	5,240	2,062	3,178	—	(10)	(10)
SEG	800	870	66	804	18	7	7
KINECT	266	1,092	763	329	49	39	39
RER CT 57	2,031	3,656	1,670	1,986	149	106	9
MP Solar	5,911	5,895	—	5,895	—	(14)	(17)
Ventura	5,478	5,469	—	5,469	—	(7)	(10)
TEV II	200	11,584	14,822	(3,238)	10,051	14	(84)
Ges Kyushu Corporation	—	—	—	—	231,295	172,509	167,031
Hashimoto Corporation	119,725	866,275	761,868	104,407	76,689	40,790	35,126
JRC	7,511	59,531	56,642	2,890	6,637	3,992	(7,347)
MUNISOL	255,694	726,855	512,030	214,825		(7,195)	(6,915)
SHIMA'S	153	528	377	151	5	—	—
WAIMEA	526	1,338	784	554	26	16	16
HONOKAWAI	418	1,387	930	457	51	44	44
ELEELE	637	1,613	933	680	31	19	19
HANALEI	280	705	437	268	4	(16)	—
KAPAA	761	1,872	1,106	766	20	8	8
KOLOA	569	1,442	842	600	26	15	15
GES AC	36,552	37,347	361	36,986		(31)	434
ANDERSON N.	13,507	13,682	—	13,682	216	175	175
ANDERSON S.	11,454	11,605	—	11,605	185	151	151
Flora	1,915	1,934	—	1,934	28	19	19
Greenfield	8,631	8,742	—	8,742	138	111	111
Spiceland	1,275	1,288	3	1,284	16	9	9

Relationship company name	Capital amount	Total assets	Total liabilities	net worth	Operating income	Operating profit and loss	After-tax (loss) benefits
TEV Solar	200	11,584	14,822	(3,238)	10,051	14	(84)
AC GES Solar	29,725	29,754	25	29,729		(25)	4
Richmond	19,259	19,362	84	19,278	19	19	19
Rensselaer	9,933	10,009	66	9,942	10	10	10
Advance	534	596	62	534	1	1	1
CFY	39,000	481,190	279,888	201,303	159,360	31,802	13,968
CFGP	6,000	631	14	617	—	(686)	(579)
NSP HK	—	(3)	—	(3)	—	—	—
DelSolar HK	125,200	39,019	2	39,017	—	(3)	(13,229)
DelSolar US	14,800	45,535	32,326	13,209	—	(32)	1,005
NSP NEVADA	5,125	24,671	19,205	5,465	180	117	408
URE NSP	500	500	—	500	—	()	()
NSP Malaysia	736	607	—	607	—	(18)	(11)
NSP Vietnam	160	30	55	(25)	63	(126)	(125)
NSP Germany	25	91	8	83	201	48	44
PV Power Park	25	22	—	22	—	(1)	(1)
NSP Indygen		6,085	5,600	485		(1,246)	649
Hsin Jin Optoelectronics	13,309	45,219	30,316	14,902	4,155	2,197	1,265
Hsin Jin Solar Energy Co., Ltd	23,302	81,623	54,641	26,982	8,208	5,033	3,024
Si Two Corp	20,000	25,908	6,160	19,747	—	(139)	(128)
XYH (Suzhou) Energy Ltd	—	1	4	(3)	—	—	—
Clean Focus GP (HK) Limited	530	354	—	354	—	—	(263)
DelSolar (Wu Jiang) Ltd	810,211	259,205	4,167	255,038	172	1,367	(75,593)
NSP JAPAN	11,700	38,824		38,824	—	(307)	587
Neo Solar Power (Nanchang) Ltd	294,849	192,722	103,074	89,648	59,459	(105,420)	(105,840)
Livermore	200	1,550	1,481	69	—	(2)	(2)
Industrial Park	400	3,050	2,650	400	—	—	—
Hillsboro	1,862	2,087	244	1,843	—	(19)	(19)

Statement

Pursuant to the "Regulations Governing Preparation of Consolidated Business Reports Covering Affiliated Enterprises, Consolidated Financial Statements, Reports on Affiliations", and Statements of Financial Accounting Standards", shall prepare the affiliates' consolidated financial statements and issue the declaration, which has been issued and placed in the affiliates' financial statement from January 1 to December 31, 2018. No further consolidated financial reports on affiliated enterprises shall be printed. ◦

United Renewable Energy Co., Ltd.
Chairman Hong, Chum-Sam

8.2 Private Placement Securities in the Most Recent Years:

Items	First private placement of securities in 2018 (same below) Date of issuance (Distribution date of stocks): Nov. 16, 2018／number of shares: 334,291,702 shares
Type of private placement of securities	Ordinary shares
Date and amount resolved by shareholders meeting	The resolution is resolved on the 2018 first special shareholders' meeting on March 28, 2018, where private placement of shares may be conducted with the ceiling amount of 380,000,000 shares all at once or in multiple times since the resolved date of 2018 first special shareholders' meeting.
Basis for establishing the price and its reasonableness	According to the price establishment principle resolved during first special shareholders' meeting held on March 28, 2018, the price should be established by 80% of the higher calculated price between the two standard ones (referred to as the reference price hereunder) on the price establishment date of Oct. 1, 2018: (1) simple average closing prices of the ordinary shares for 1, 3, or 5 business days before the price determination date were NT$ 10.5, NT$ 10.4, NT$ 10.44, respectively where the lowest price was NT$ 10.4; or (2) simple average closing price of the ordinary shares for 30 business days before the price determination date was NT$ 9.57; The higher one was taken as the reference price in accordance with the regulations, which is the lowest among the simple average closing prices of the ordinary shares for 1, 3, or 5 business days before the price determination date. After comprehensive considerations, the price for private placement was established as 80% of the reference price, namely, NT$ 8.32. The total raised fund was NT$ 2,781,306,962. The aforementioned established price for private placement should be reasonable by considering the limitation of transfer within three years on private placement of securities in Securities and Exchange Act, the regulation on the qualification of subscribers, benefits to future business operations of the company and the effects on shareholders' equity under the recognition of subscribers.
Method for the selection of specific person	Limited to those who satisfied the qualification criteria stipulated in the provisions of Article 43-6 of Securities and Exchange Act and relevant letters, knew the business operations of the company relatively well and are beneficial to future business of the company.
Necessary reasons for conducting private placement	Fund raising conducted by private placement was chosen by considering the status of current capital market and getting hold of the factors for capital raising, such as convenience, timeliness and issuance costs, in order to obtain required funds in the shortest amount of time.

Completion date for payment	Oc. 15, 2018				
Information on subscribers	Counterparty for private placement	Qualification criteria	Subscription quantity (shares)	Relation with the company	Participation in company's business
	National Development Fund, Executive Yuan	Satisfied Article 43-6, paragraph 1, subparagraph 2 of Securities and Exchange Act	167,145,851	None	None
	Yao Hua Glass Industry Group Co., Ltd.	Satisfied Article 43-6, paragraph 1, subparagraph 2 of Securities and Exchange Act	167,145,851	None	None
Actual subscription (or conversion) price	NT$ 8.32 per share				
Differences between the actual subscription (or conversion) price and the reference price	Subscription price of the private placement is NT$ 8.32 per share, which is 80% of the reference price of NT$ 10.4				
Effect on shareholders' equity by conducting private placement (such as resulted in the increase in cumulative losses, etc.)	Cumulative loss caused by the difference between the actual price of private placement and denomination shown on the statement will be made up based on the future operational status of the company since the actual price of private placement is lower than the denomination. The financial structure of the company will be improved after the benefit results from increasing capital have shown, which will be beneficial to stable profound development of the company. This will be a positive benefit to shareholders' equity.				
Application of funds from private placement and the execution progress of the plan	Funds from private placement is expected to be used in the investment of products with high effectiveness, the expansion of production capabilities, the acquisition of module production capability, the investment of system business and relevant new business and/or dealing with fund demands in response to long-term development of the company, hoping that enterprise competitiveness and profitability capability of the company can be enhanced, which will be helpful to stable growth in future business operation and is a positive benefit to shareholders' equity. The company has used the fund by private placement of NT$ 282,129 thousand till March 31, 2019.				
Benefit result of private placement	Enterprise competitiveness and profitability capability of the company is enhanced, which is helpful to stable growth in future business operations. This should have positive benefits on shareholders' equity.				

8.3 The Shares in the Company Held or Disposed of By Subsidiaries in the Most Recent Years: Utech Solar Corp. holds 1,833 thousands shares of URE。

8.4 Any Events And as of the Date of this Annual Report that Had Significant Impacts on Shareholders' Rights or Security Prices as Stated in Item 2 Paragraph 2 of Article 36 of Securities and Exchange Law of Taiwan: NA。

8.5 8.5Audited Consolidated Financial Statements for Most Recent Year

United Renewable Energy Co., Ltd.
(Formerly Neo Solar Power Corp.)

Financial Statements for the
Years Ended December 31, 2018 and 2017 and
Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
United Renewable Energy Co., Ltd.

Opinion

We have audited the accompanying financial statements of United Renewable Energy Co., Ltd. ("the Corporation", formerly Neo Solar Power Corp.), which comprise the balance sheets as of December 31, 2018 and 2017, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter section of this report), the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2018. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Corporation's financial statements for the year ended December 31, 2018 are stated as follows:

Assessment of impairment losses on prepayments of long-term purchase contracts

To stabilize the supply of raw materials in the manufacturing process, the Corporation signed several long-term materials supply agreements and made certain prepayments to be deducted from actual purchases. The assessment of impairment losses on prepayments may be influenced by any worsening of the supplier's financial position, negative variances in the solar energy industry, and declining prices of raw materials; any of these factors could result in a deceleration in the use of the prepayments. The assessment of impairment losses on prepayments by key management personnel is related to estimations of future cash flows and the identification of rates for recognizing impairment losses. Therefore, the assessment of impairment losses on prepayments was considered as a key audit matter. The accounting policies on impairment losses on prepayments can be found in Notes 4 and 5 to the accompanying financial statements. For the description of impairment losses on prepayments, refer to Notes 17 and 37 to the financial statements.

Our audit procedures performed in respect of the above key audit matter included the following:

1. We assessed the reasonableness of the method used by key management personnel for recognizing impairment losses as well as the reasonableness of assumptions.

2. We tested the accuracy of relevant calculations of prepayment deductions and confirmed that the impairment loss was properly recognized when prepayments would not be fully applied.

Business combination

With the anticipated growth in future demand for solar energy, the bright prospect of development of the solar industry, the expansion of the solar energy business and to enhance sustainability, in 2018, the Corporation merged two companies, Gintech Energy Corporation and Solartech Energy Corporation; the Corporation is the surviving entity and renamed United Renewable Energy Co., Ltd. Such acquisition created a bargain purchase gain of NT$2,261,090 thousand (Note 29). The related accounting policies, significant accounting estimates and basis of consideration are described in Notes

4 and 5 to the financial statements. Such transaction was a significant event and transaction in the current year. The fair value assessments of the acquisition-date assets and liabilities and the amount of the bargain purchase gain were based on the purchase price allocation report; the adopted method and assumptions involve the use of critical accounting judgements and estimations. Therefore, the aforementioned transaction was considered as a key audit matter.

Our audit procedures performed in respect of the above key audit matter included the following:

1. We reviewed minutes of meetings of the board of directors, inspected consolidated contracts and confirmed documents related to the acquisition price.

2. We inspected and tested whether the management's accounting treatment and recording of the acquisition-date amounts of assets and liabilities at fair value were in accordance with IFRS 3 Business Combinations.

3. We assessed the qualifications of the external expert commissioned for the professional conduct of the business combination and we reviewed the purchase price allocation report issued by the external expert.

4. We tested the data and evidence supporting the method used and assumptions adopted in the determination of the fair value of Gintech Energy Corporation and Solartech Energy Corporation's tangible assets and liabilities presented in the report . We recalculated the bargain purchase gain recognized in the acquisition.

Other Matter

The financial statements of some investee companies accounted for using the equity method were audited by other auditors. The amounts within the financial statements for those investee companies were based solely on the reports of other auditors. As of December 31, 2018 and 2017, the aforementioned investments accounted for using the equity method were NT$1,807,061 thousand and NT$1,980,454 thousand, respectively. For the years ended December 31, 2018 and 2017, the Corporation's share of losses on the aforesaid investment accounted for using the equity method was NT$(365,241) thousand and NT$(14,751) thousand, respectively.

The financial statements of some investee companies accounted for using the equity method as of and for the year ended December 31, 2018, which are based on a different framework of the accompanying financial statements and which we have not audited, were audited by other auditors in accordance with different auditing standards. We have performed compulsory audit procedures for transferring adjustments of the reports to be in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The financial statement amounts for the aforementioned investee companies were based on the reports of other auditors and the result of additional audit procedures performed in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. As of December 31, 2018 and 2017, the aforesaid investments accounted for using the equity method were NT$234,182 thousand and NT$165,055 thousand, respectively. For the years ended December 31, 2018 and 2017, the amounts of the share in the gains of the aforesaid investments accounted for using the equity method were NT$62,984 thousand and NT$68,149 thousand, respectively.

The financial statements of some investee companies accounted for using the equity method as of and for the year ended December 31, 2017, which were based on a framework different from the accompanying financial statements and which we have not audited, were audited by other auditors. We have performed compulsory audit procedures and have made adjustments to the other financial statements for them to conform with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The financial statement amounts for the aforementioned investee companies were based on the reports of other auditors. As of December 31, 2017, the aforesaid investments accounted for using the equity method were NT$81,718 thousand. For the year ended December 31, 2017, the Corporation's share of the losses of the aforesaid investments accounted for using the equity method was NT$(18,562) thousand.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2017 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Yi-Hsin Kao and Yu-Feng Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 22, 2019

<u>*Notice to Readers*</u>

The accompanying financial statements are intended only to present the 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 jurisdiction. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying 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 auditors' report and financial statements shall prevail.

UNITED RENEWABLE ENERGY CO., LTD.
(Formerly Neo Solar Power Corp.)

BALANCE SHEETS
DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	2018		2017	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6 and 34)	$ 7,227,824	15	$ 2,577,652	9
Financial assets at fair value through other comprehensive income - current (Notes 4, 5, 8 and 34)	133,333	-	-	-
Notes and accounts receivable, net (Notes 4, 5, 11 and 34)	1,982,136	4	1,130,496	4
Accounts receivable from related parties (Notes 4, 5, 11, 34 and 35)	552,155	1	242,898	1
Other receivables (Notes 4, 11 and 34)	103,614	-	9,603	-
Other receivables from related parties (Notes 4, 11, 34 and 35)	726,555	2	2,228,268	8
Current tax assets (Notes 4, 5 and 26)	5,224	-	4,417	-
Inventories (Notes 4, 5 and 12)	1,827,730	4	1,241,348	5
Prepayments (Notes 4, 5, 17, 35 and 37)	347,032	1	126,599	-
Non-current assets held for sale (Notes 4, 13 and 15)	-	-	137,688	1
Other current assets (Notes 17, 34 and 36)	4,591,156	10	569,356	2
Total current assets	17,496,759	37	8,268,325	30
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 5, 8, 9, 10 and 34)	1,512,133	3	-	-
Available-for-sale financial assets - non-current (Notes 4, 5, 8, 9 and 34)	-	-	59,000	-
Financial assets carried at cost - non-current (Notes 4, 5, 8, 10 and 34)	-	-	23,849	-
Investments accounted for using the equity method (Notes 4, 14, 29, 30 and 31)	8,671,913	18	6,669,856	24
Property, plant and equipment (Notes 4, 5, 13, 15, 35 and 36)	13,537,834	29	6,524,410	24
Intangible assets (Notes 4 and 16)	8,051	-	-	-
Deferred tax assets (Notes 4 , 5 and 26)	607,735	1	46,059	-
Prepayments - non-current (Notes 4, 5, 17, 35 and 37)	2,396,216	5	763,727	3
Refundable deposits (Notes 4, 18, 32, 34, 35 and 36)	794,359	2	585,491	2
Other receivables from related parties - non-current (Notes 4, 11, 34 and 35)	2,228,508	5	2,862,904	10
Other non-current assets (Notes 4, 17 and 36)	-	-	1,861,596	7
Total noncurrent assets	29,756,749	63	19,396,892	70
TOTAL	$ 47,253,508	100	$ 27,665,217	100

	2018		2017	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES				
Short-term bank loans (Notes 18, 34 and 36)	$ 4,783,903	10	$ 5,748,074	21
Short-term bills payable (Notes 18 and 34)	-	-	199,585	1
Financial liabilities at fair value through profit or loss - current (Notes 4, 7, and 34)	-	-	5,742	-
Contract liabilities - current (Notes 24 and 35)	187,109	-	-	-
Notes and accounts payable (Note 34)	1,781,360	4	883,048	3
Accounts payable - related parties (Notes 34 and 35)	203,288	-	24,829	-
Bonuses payable to employees and directors (Note 25)	2,649	-	2,649	-
Payables to contractors and equipment suppliers (Notes 34 and 35)	236,006	1	117,671	-
Accrued expenses (Notes 4, 20, 34, 35 and 37)	1,384,826	3	1,869,217	7
Provisions - current (Notes 4 and 21)	-	-	1,535	-
Receipts in advance (Note 33)	-	-	228,430	1
Current portion of long-term bank loans (Notes 4, 18, 19, 34 and 36)	6,833,484	15	2,615,113	9
Other current liabilities (Notes 4 and 20)	64,178	-	7,703	-
Total current liabilities	15,476,803	33	11,703,596	42
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4, 19, 34 and 36)	-	-	3,425,011	13
Long-term bank loans (Notes 18, 34 and 36)	6,412,415	14	1,183,850	4
Provisions - non-current (Notes 4 and 21)	265,706	-	207,274	1
Deferred tax liabilities (Notes 4, 5 and 26)	55,611	-	46,059	-
Guarantee deposits (Note 34)	1,457	-	85	-
Credit balance of investments accounted for using the equity method (Notes 4 and 14)	134,504	-	18,127	-
Other non-current liabilities (Notes 4 and 20)	-	-	1,813	-
Total noncurrent liabilities	6,869,693	14	4,882,219	18
Total liabilities	22,346,496	47	16,585,815	60
EQUITY (Notes 4, 19, 23, 28, 29, 30 and 31)				
Common shares	25,157,599	54	10,192,564	37
Capital surplus	1,011,023	2	6,028,165	22
Retained earnings				
Accumulated deficit	(369,468)	(1)	(4,611,501)	(17)
Other equity	(873,443)	(2)	(529,826)	(2)
Treasury shares	(18,699)	-	-	-
Total equity	24,907,012	53	11,079,402	40
TOTAL	$ 47,253,508	100	$ 27,665,217	100

The accompanying notes are an integral part of the financial statements.
(With Deloitte & Touche auditors' report dated March 22, 2019)

UNITED RENEWABLE ENERGY CO., LTD.
(FORMERLY NEO SOLAR POWER CORP.)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2018		2017	
	Amount	**%**	**Amount**	**%**
NET SALES (Notes 4, 24, 35 and 37)	$ 10,310,120	100	$ 9,119,985	100
COST OF SALES (Notes 4, 5, 12, 25, 35 and 37)	11,259,715	109	11,195,316	123
GROSS LOSS	(949,595)	(9)	(2,075,331)	(23)
REALIZED (UNREALIZED) GAINS FROM SALES	101,353	1	(13,242)	-
REALIZED GROSS LOSS	(848,242)	(8)	(2,088,573)	(23)
OPERATING EXPENSES (Notes 11, 25 and 35)				
Selling	266,150	3	396,189	4
General and administrative	423,659	4	435,155	5
Research and development	193,666	2	214,575	2
Expected credit loss on trade receivables	29,101	-	-	-
Total operating expenses	912,576	9	1,045,919	11
OTHER INCOME AND EXPENSES (Notes 4, 5, 13, 15, 25 and 35)	(2,403)	-	(157,946)	(2)
LOSS FROM OPERATIONS	(1,763,221)	(17)	(3,292,438)	(36)
NONOPERATING INCOME AND EXPENSES				
Gain from bargain purchase (Notes 29)	2,261,090	22	-	-
Reversal of contract compensation interest	239,274	2	-	-
Gain (loss) on financial instruments at fair value through profit or loss (Notes 4, 7 and 19)	82,825	1	(122,296)	(1)
Other income (Notes 4, 25 and 35)	81,702	1	14,140	-
Interest income (Notes 4, 25 and 35)	46,693	-	59,446	1
Dividends income (Notes 4 and 35)	2,000	-	2,400	-
Gain on disposal of investment	-	-	36,506	-
Expected credit loss (Notes 4 and 11)	(8,400)	-	-	-
Other gains and losses (Notes 4 and 35)	(15,029)	-	(121)	-
Foreign exchange (loss) gain, net (Notes 4 and 25)	(46,059)	-	69,625	1
Finance costs (Note 25)	(395,444)	(4)	(586,979)	(6)
Share of loss of subsidiaries and associates (Notes 4 and 14)	(953,725)	(9)	(334,083)	(4)
Total non-operating expenses	1,294,927	13	(861,362)	(9)

(Continued)

UNITED RENEWABLE ENERGY CO., LTD.
(FORMERLY NEO SOLAR POWER CORP.)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2018		2017	
	Amount	**%**	**Amount**	**%**
LOSS BEFORE INCOME TAX	$ (468,294)	(4)	$ (4,153,800)	(45)
INCOME TAX EXPENSE (Notes 4, 5 and 26)	-	-	(363)	-
NET LOSS FOR THE YEAR	(468,294)	(4)	(4,154,163)	(45)
OTHER COMPREHENSIVE (LOSS) INCOME (Note 25)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(394,342)	(4)	-	-
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using the equity method				
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(2,664)	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	110,942	1	(281,849)	(3)
Unrealized gain on available-for-sale financial assets	-	-	(10,160)	-
Share of other comprehensive (loss) income of subsidiaries				
Exchange differences on translating foreign operations	(1,996)	-	(24,609)	(1)
Unrealized gain on available-for-sale financial assets	-	-	(8,463)	-
Total other comprehensive loss	(288,060)	(3)	(325,081)	(4)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	$ (756,354)	(7)	$ (4,479,244)	(49)
LOSS PER SHARE (Note 27)				
Basic loss per share	$ (0.34)		$ (4.08)	
Diluted loss per share	$ (0.34)		$ (4.08)	

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

(With Deloitte & Touche auditors' report dated March 22, 2019) (Concluded)

UNITED RENEWABLE ENERGY CO., LTD.
(Formerly Neo Solar Power Corp.)

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	Common Shares: Shares (In Thousands)	Common Shares: Common Shares	Capital Surplus: Share Premium	Capital Surplus: Changes in Capital Surplus from Investments in Associates and Joint Venture Accounted for Using the Equity Method	Capital Surplus: Difference between Consideration and Carrying Amounts Adjusted Arising from Changes in Percentage of Ownership in Subsidiaries	Capital Surplus: Employee Share Options	Capital Surplus: Restricted Shares for Employees	Retained Earnings: Accumulated Deficits	Other Equity: Foreign Currency Translation Reserve	Other Equity: Unrealized Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Other Equity: Unrealized (Losses) Gains on Available-for-sale Financial Assets	Other Equity: Unearned Employees Benefits	Treasury Shares	Total Equity
BALANCE AT JANUARY 1, 2017	1,017,615	$ 10,176,152	$ 12,209,652	$ -	$ 14,023	$ 3,022	$ 118,649	$ (6,309,786)	$ (90,836)	$ -	$ (53,259)	$ (4,666)	$ -	$ 16,062,951
Offset of deficit against capital surplus	-	-	(6,309,786)	-	-	-	-	6,309,786	-	-	-	-	-	-
Additional paid-in capital reclassification	-	-	120,462	-	-	(3,022)	(117,440)	-	-	-	-	-	-	-
Cancellation of restricted shares for employees	(214)	(2,138)	-	-	-	-	(1,627)	-	-	-	-	3,765	-	-
Issuance of restricted shares for employees	1,855	18,550	-	-	-	-	8,255	-	-	-	-	(26,805)	-	-
Compensation costs of restricted shares for employees	-	-	-	-	-	-	-	-	-	-	-	7,668	-	7,668
Actual disposals or acquisitions of interests in subsidiaries	-	-	-	-	(14,023)	-	-	(445,947)	(40,612)	-	-	-	-	(500,582)
Effect of reorganization	-	-	-	-	-	-	-	(11,391)	-	-	-	-	-	(11,391)
Net loss for the year ended December 31, 2017	-	-	-	-	-	-	-	(4,154,163)	-	-	-	-	-	(4,154,163)
Other comprehensive income for the year ended December 31, 2017, net of income tax	-	-	-	-	-	-	-	-	(306,458)	-	(18,623)	-	-	(325,081)
Total comprehensive income (loss) for the year ended December 31, 2017	-	-	-	-	-	-	-	(4,154,163)	(306,458)	-	(18,623)	-	-	(4,479,244)
BALANCE AT DECEMBER 31, 2017	1,019,256	10,192,564	6,020,328	-	-	-	7,837	(4,611,501)	(437,906)	-	(71,882)	(20,038)	-	11,079,402
Effect of retrospective application	-	-	-	-	-	-	-	98,826	-	(130,891)	71,882	-	-	39,817
BALANCE AT JANUARY 1, 2018	1,019,256	10,192,564	6,020,328	-	-	-	7,837	(4,512,675)	(437,906)	(130,891)	-	(20,038)	-	11,119,219
Share of changes in capital surplus of associates or joint ventures	-	-	-	42,000	-	-	-	-	-	-	-	-	-	42,000
Offset of deficit against capital surplus	-	-	(4,611,501)	-	-	-	-	4,611,501	-	-	-	-	-	-
Issuance of ordinary share for cash	334,292	3,342,917	(561,610)	-	-	-	-	-	-	-	-	-	-	2,781,307
Issuance of shares in business combination	1,157,899	11,578,990	115,790	-	-	-	-	-	-	-	-	-	-	11,694,780
Treasury shares owned by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(18,699)	(18,699)
Issuance of restricted shares for employees	6,121	61,211	-	-	-	-	(17,628)	-	-	-	-	(15,316)	-	28,267
Cancellation of restricted shares for employees	(1,809)	(18,083)	-	-	-	-	15,807	-	-	-	-	2,276	-	-
Compensation costs of restricted shares for employees	-	-	-	-	-	-	-	-	-	-	-	16,492	-	16,492
Net loss for the year ended December 31, 2018	-	-	-	-	-	-	-	(468,294)	-	-	-	-	-	(468,294)
Other comprehensive income for the year ended December 31, 2018, net of income tax	-	-	-	-	-	-	-	-	108,946	(397,006)	-	-	-	(288,060)
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	-	-	-	(468,294)	108,946	(397,006)	-	-	-	(756,354)
BALANCE AT DECEMBER 31, 2018	2,515,759	$ 25,157,599	$ 963,007	$ 42,000	$ -	$ -	$ 6,016	$ (369,468)	$ (328,960)	$ (527,897)	$ -	$ (16,586)	$ (18,699)	$ 24,907,012

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

(With Deloitte & Touche auditor's report dated March 22, 2019)

UNITED RENEWABLE ENERGY CO., LTD.
(FORMERLY NEO SOLAR POWER CORP.)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	$ (468,294)	$ (4,153,800)
Adjustments for:		
Depreciation	1,579,561	1,417,747
Amortization	1,052	-
Expected credit loss	37,501	-
Impairment loss recognized on accounts receivable	-	92,291
Net (gain) loss on financial assets and liabilities at fair value through profit or loss	(5,742)	17,244
Loss on disposal of property, plant and equipment	-	115,660
Gain (loss) on disposal of noncurrent assets held for sale	2,403	(1,383)
Gain on disposal of investment	-	(36,506)
Reclassified from property, plant and equipment to expenses	2,707	6,535
Impairment loss on property, plant and equipment	-	43,669
(Reversal) Impairment loss on prepayments	(78,924)	487,558
Recognized loss on purchase contracts	398,581	575,580
Allowance (reversal of allowance) for loss on inventories	4,982	(253,658)
(Realized) unrealized gain from sales	(101,353)	13,242
Gain from bargain purchase	(2,261,090)	-
Reversal of provisions	-	(4,113)
(Gain) net loss on foreign exchange	22,687	(97,553)
Share of loss of subsidiaries and associates	953,725	334,083
Compensation costs of restricted shares for employees	16,492	7,668
Dividend income	(2,000)	(2,400)
Interest income	(46,693)	(59,446)
Finance costs	395,444	586,979
Reversal of contracts compensation interest	(239,274)	-
Total amount of adjustment	680,059	3,243,197
Changes in operating assets and liabilities:		
Notes and accounts receivable	617,909	1,043,132
Accounts receivable from related parties	(21,888)	(3,020)
Other receivables	622,883	38,585
Other receivables from related parties	327,402	(153,093)
Inventories	581,782	1,085,123
Prepayments (including noncurrent)	90,131	153,218
Other current assets	(233,784)	7,266
Contract liabilities - current	58,729	-
Notes and accounts payable	(335,313)	(50,434)
Accounts payable - related parties	(122,845)	7,942
Accrued expenses	(1,377,785)	(321,651)
Provisions	58,432	37,205
Receipts in advance	(137,628)	172,213
Other current liabilities	10,548	(215)
Refunded (paid) income taxes	1,098	(716)
Net cash generated from operating activities	351,436	1,104,952

(Continued)

UNITED RENEWABLE ENERGY CO., LTD.
(FORMERLY NEO SOLAR POWER CORP.)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	$ (59,086)	$ -
Net cash outflow from acquisition of investment accounted for using the equity method	(15,473)	(1,678,884)
Net cash inflow on disposal of subsidiaries	43,634	967
Proceeds from sale of non-current assets held for sale	135,189	1,209,182
Acquisition of property, plant and equipment	(313,024)	(721,971)
Proceeds from disposal of property, plant and equipment	-	1,741
Increase in refundable deposits	(220,152)	(575,303)
Decrease in refundable deposits	23,450	164,991
Decrease (increase) in other receivables from related parties - non-current	696,697	(1,679,240)
Financings provided to related parties	-	(1,282,890)
Repayments by related parties	1,263,183	916,350
Net cash inflow on business combinations	4,721,266	-
Increase in restricted assets	(1,011,181)	(1,429,380)
Increase in pledged time deposits	(317,246)	(166,856)
Decrease in other non-current assets	8,825	3,342
Interest received	39,820	47,586
Dividends received from associates	48,838	-
Dividends received from available-for-sale financial assets	2,000	2,400
Net cash generated (used in) from investing activities	5,046,740	(5,187,965)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term bank loans	17,668,479	25,638,288
Decrease in short-term bank loans	(20,097,081)	(25,404,347)
Decrease in short-term bill payable	(201,393)	-
Proceeds from long-term bank loans	2,977,075	3,730,573
Repayments of long-term bank loans	(3,610,661)	(3,091,610)
Increase in guarantee deposits	7	50
Decrease in guarantee deposits	(102)	-
Proceeds from issuance of ordinary shares	2,781,307	-
Interest paid	(305,497)	(180,557)
Net cash (used in) generated from financing activities	(787,866)	692,397
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	39,862	(78,853)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,650,172	(3,469,469)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	2,577,652	6,047,121
CASH AND CASH EQUIVALENTS, END OF THE YEAR	$ 7,227,824	$ 2,577,652

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

(With Deloitte & Touche auditors' report dated March 22, 2019) (Concluded)

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. ORGANIZATION AND OPERATION

United Renewable Energy Co., Ltd. (formerly Neo Solar Power Corp.) (the Corporation) was incorporated in the Republic of China on August 26, 2005. The Corporation specializes in manufacturing high-quality solar cells, solar cell modules and wafers. The Corporation's main business activities include researching, developing, designing, manufacturing and selling solar cells as well as participating in other solar-related businesses. Its ordinary shares have been listed on the Taiwan Stock Exchange (TSE) since January 2009. On October 1, 2018, the Corporation merged the former Gintech Energy Corporation (Gintech Energy) and Solartech Energy Corporation (Solartech Energy) with the Corporation as the surviving company.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Corporation's board of directors on March 20, 2019 .

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

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the FSC

Except for the following, whenever applied, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC would not have any material impact on the Corporation's accounting policies:

1) IFRS 9 "Financial Instruments" and related amendments

IFRS 9 supersedes IAS 39 "Financial Instruments: Recognition and Measurement", with consequential amendments to IFRS 7 "Financial Instruments: Disclosures" and other standards. IFRS 9 sets out the requirements for classification, measurement and impairment of financial assets and hedge accounting. Refer to Note 4 for information relating to the relevant accounting policies.

Classification, measurement and impairment of financial assets

On the basis of the facts and circumstances that existed as at January 1, 2018, the Corporation has performed an assessment of the classification of recognized financial assets and has elected not to restate prior reporting periods.

The following table shows the original measurement categories and carrying amounts under IAS 39 and the new measurement categories and carrying amounts under IFRS 9 for each class of the Corporation's financial assets and financial liabilities as at January 1, 2018.

	Measurement Category		Carrying Amount		
	IAS 39	IFRS 9	IAS 39	IFRS 9	Note
Financial asset classification					
Cash and cash equivalents, notes and accounts receivable, accounts receivable from related parties, pledged time deposits, restricted assets,	Loans and receivables	Amortized cost	$ 12,059,095	$ 12,059,095	(1)

refundable deposits and other receivables					
Equity securities	Available for sale	FVTOCI	82,849	81,440	(2)
Financial liabilities classification					
Short-term loans, short-term bills payable, notes and accounts payable, accounts payable to related parties, payables to contractors and equipment suppliers, accrued expenses, long-term loans and bonds payable	Amortized cost	Amortized cost	14,967,707	14,967,707	
Derivatives	Held for trading	Held for trading	5,742	5,742	

	Carrying Amount as of December 31, 2017 (IAS 39)	Reclassifi-cations	Remea-surements	Carrying Amount as of January 1, 2018 (IFRS 9)	Retained Earnings Effect on January 1, 2018	Other Equity Effect on January 1, 2018	Financial Assets
FVTOCI	$ -	$ -	$ -	$ -	$ -	$ -	
- Equity instruments							
Add: Reclassification from available-for-sale	-	82,849	(1,409)	81,440	41,893	(43,302)	(2)
	-	82,849	(1,409)	81,440	41,893	(43,302)	
Amortized cost	-	-	-	-	-	-	
Add: Reclassification from loans and receivables	-	12,059,095	-	12,059,095	-	-	(1)
	-	12,059,095	-	12,059,095	-	-	
Total	$ -	$ 12,141,944	$ (1,409)	$ 12,140,535	$ 41,893	$ (43,302)	

	IAS 39 Carrying Amount as of January 1, 2018	Adjustments Arising from Initial Application	IFRS 9 Carrying Amount as of January 1, 2018	Retained Earnings Effect on January 1, 2018	Other Equity Effect on January 1, 2018	Remark
Investments accounted for using the equity method	$ 6,669,856	$ 41,226	$ 6,711,082	$ 56,933	$ (15,707)	(3)

(1) Cash and cash equivalents, notes and accounts receivable, accounts receivable from related parties, pledged time deposits, restricted assets, refundable deposits and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortized cost with assessment of future 12-month or lifetime expected credit losses under IFRS 9.

(2) As equity investments that were previously classified as available-for-sale financial assets under IAS 39 are not held for trading, the Corporation elected to designate all of these investments as at FVTOCI under IFRS 9. As a result, the related other equity-unrealized gain/loss on available-for-sale financial assets in the amount of $38,773 thousand would result in an increase in other equity - unrealized gain/loss on financial assets at FVTOCI.

As equity investments previously measured at cost under IAS 39 are remeasured at fair value under IFRS 9, the adjustments would result in an decrease in financial assets at FVTOCI of $1,409 thousand, an decrease in other equity - unrealized gain/loss on financial assets at FVTOCI of $1,409 thousand on January 1, 2018.

For those equity investments previously classified as available-for-sale financial assets (including measured at cost financial assets) under IAS 39, the impairment losses that the Corporation had recognized have been accumulated in retained earnings. Since these investments were designated as at FVTOCI under IFRS 9 and no impairment assessment is required, the adjustments would result in a decrease in other equity - unrealized gain/loss on financial assets at FVTOCI of $80,666 thousand and an increase in retained earnings of $41,893 thousand on January 1, 2018.

(3) As a result of the retrospective application of IFRS 9, the investment accounted for using the equity method of $41,226 thousand was retained with the other equity - unrealized gain/loss on available-for-sale financial assets of $33,109 thousand reclassified to other equity - unrealized gain/loss on financial assets at FVTOCI, and then retained earnings were increased by $56,933 thousand through decrease of other equity - unrealized gain/loss on financial assets at FVTOCI by $48,816 thousand on January 1, 2018.

2) IFRS 15 “Revenue from Contracts with Customers” and related amendments

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers, and supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and a number of revenue-related interpretations. Refer to Note 4 for the related accounting policies.

The Corporation elects to retrospectively apply IFRS 15 to contracts that are not complete on January 1, 2018 and elects not to restate prior reporting periods with the cumulative effect of the initial application recognized at the date of initial application.

The anticipated impact on assets, liabilities and equity when retrospectively applying IFRS 15 on January 1, 2018 is detailed below:

	Carrying Amount as of December 31, 2017 (IAS 18 and Revenue-related Interpretations)	Adjustments Arising from Initial Application	Carrying Amount as of January 1, 2018 (IFRS 15)	Note
Provisions - current	$ 1,535	$ (1,535)	$ -	(1)
Receipts in advance	228,430	(90,802)	137,628	
Contract liabilities - current	-	90,802	90,802	
Other current liabilities	7,703	1,535	9,238	(1)
Total effect on liabilities	$ 237,668	$ -	$ 237,668	

(1) Prior to the application of IFRS 15, the Corporation recognized the estimation of sales returns and allowances as provisions. Under IFRS 15, the Corporation recognizes such estimation as a refund liability (classified under accrued expenses and other current liabilities).

(2) Under IFRS 15, the net effect of revenue recognized and consideration received and receivable is recognized as a contract asset or a contract liability.

Had the Corporation applied the requirements of hedge accounting under IAS 18 in 2017, the following adjustments should have been made to reflect the line items and balances under IFRS 15.

Impact on assets, liabilities and equity for current year

	December 31, 2018
Decrease in provisions - current	$ (1,478)
Decrease in receipts in advance	(187,109)
Increase in contract liabilities - current	187,109
Increase in other current liabilities	1,478
Total effect on liabilities	$ -

b. The Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed by FSC for application starting from 2019

New, Amended or Revised Standards and Interpretations (the "New IFRSs")	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2015-2017 Cycle	January 1, 2019
Amendments to IFRS 9 "Prepayment Features with Negative Compensation"	January 1, 2019 (Note 2)
IFRS 16 "Leases"	January 1, 2019
Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement"	January 1, 2019 (Note 3)
Amendments to IAS 28 "Long-term Interests in Associates and Joint Ventures"	January 1, 2019
IFRIC 23 "Uncertainty over Income Tax Treatments"	January 1, 2019

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 FSC permits the election for early adoption of the amendments starting from 2018.
Note 3: The Corporation shall apply these amendments to plan amendments, curtailments or settlements occurring on or after January 1, 2019.

1) IFRS 16 “Leases”

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

Definition of a lease

Upon initial application of IFRS 16, the Corporation will elect to apply the guidance of IFRS 16 in determining whether contracts are, or contain, a lease only to contracts entered into. Contracts identified as containing a lease of power facility, which are currently identified as containing a lease under IAS 17 and IFRIC 4, will not meet the definition of a lease under IFRS 16 and will be accounted for in accordance with other standards because the customers do not have the right to direct the use of the identified assets. Contracts that are reassessed as containing a lease will be accounted for in accordance with the transitional provisions under IFRS 16.

The Corporation as lessee

Upon initial application of IFRS 16, the Corporation will recognize right-of-use assets or investment properties if the right-of-use assets meet the definition of investment properties and lease liabilities for all leases on the balance sheets except for those whose payments under low-value and short-term leases will be recognized as expenses on a straight-line basis. On the statements of comprehensive income, the Corporation will present the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the statements of cash flows, cash payments for the interest and principal portions of lease liabilities will be classified within financing activities. Currently, payments under operating lease contracts, including property interest qualified as investment properties, are recognized as expenses on a straight-line basis. Cash flows for operating leases are classified within operating activities on the statements of cash flows.

The Corporation anticipates applying IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized on January 1, 2019. Comparative information will not be restated.

Lease liabilities will be recognized on January 1, 2019 for leases currently classified as operating leases with the application of IAS 17. Lease liabilities will be measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate on January 1, 2019. Except for the following practical expedients which are to be applied, the Corporation will apply IAS 36 to all right-of-use assets.

The Corporation expects to apply the following practical expedients:

a) The Corporation will apply a single discount rate to a portfolio of leases with reasonably similar characteristics to measure lease liabilities.
b) The Corporation will account for those leases for which the lease term ends on or before December 31, 2019 as short-term leases.
c) The Corporation will exclude initial direct costs from the measurement of right-of-use assets on January 1, 2019.
d) The Corporation will use hindsight, such as in determining lease terms, to measure lease liabilities.

For leases currently classified as finance leases under IAS 17, the carrying amount of right-of-use assets and lease liabilities on January 1, 2019 will be determined as the carrying amount of the leased assets and finance lease payables as of December 31, 2018.

The Corporation as lessor

The Corporation will not make any adjustments for leases in which it is a lessor and will account for those leases with the application of IFRS 16 starting from January 1, 2019.

Impact on assets, liabilities and equity on January 1, 2019

	Carrying Amount as of December 31, 2018	Adjustments Arising from Initial Application	Adjusted Carrying Amount as of January 1, 2019
Right of Use Asset	$ -	$ 271,916	$ 271,916
Investment accounted for using the equity method	8,671,913	(306,410)	8,365,503
Total effect on assets	$ 8,671,913	$ (34,494)	$ 8,637,419
Lease liabilities - current	$ -	$ 271,916	$ 271,916
Total effect on liabilities	$ -	$ 271,916	$ 271,916
Retained Earnings	$ (369,468)	$ (306,410)	$ (675,878)
Total effect on equity	$ (369,468)	$ (306,410)	$ (675,878)

Except for the above impact, as of the date the 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.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 3 "Definition of a Business"	January 1, 2020 (Note 2)
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 17 "Insurance Contracts"	January 1, 2021
Amendments to IAS 1 and IAS 8 "Definition of Material"	January 1, 2020 (Note 3)

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 Corporation shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

Note 3: The Corporation shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

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

The amendments stipulate 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 the Corporation 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 Corporation's interest as an unrelated investor in the associate or joint venture, i.e. the Corporation's share of the gain or loss is eliminated. Also, when the Corporation loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Corporation's interest as an unrelated investor in the associate or joint venture, i.e. the Corporation's share of the gain or loss is eliminated.

2) Amendments to IFRS 3 “Definition of a Business”

The amendments clarify that, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process applied to the input that together significantly contribute to the ability to create outputs. The amendments narrow the definitions of outputs by focusing on goods and services provided to customers, and the reference to an ability to reduce costs is removed. Moreover, the amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs.

In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

Except for the above impact, as of the date the 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 parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value.
The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:
1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
3) Level 3 inputs are unobservable inputs for the asset or liability.

When preparing its financial statements, the Corporation used the equity method to account for its investments in subsidiaries, associates or joint ventures. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the financial statements to be the same with the amounts attributable to the owners of the Corporation in its consolidated financial statements, adjustments arising from the differences between accounting treatments on an individual basis and a consolidated basis were made to investments accounted for using the equity method, shares of (profit) loss of subsidiaries and associates, and shares of other comprehensive income (loss) of subsidiaries and associates, as appropriate, in these financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:
1) Assets held primarily for the purpose of trading;
2) Assets expected to be realized within twelve months after the reporting period; and
3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:
1) Liabilities held primarily for the purpose of trading;
2) Liabilities due to be settled within twelve months after the reporting period; and
3) Liabilities for which the Corporation does not have an unconditional right to defer settlement for at least twelve months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as incurred.

Goodwill is measured as the sum of the consideration transferred and the fair value of the acquirer’s previously held equity interest in the acquiree in excess of the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held interests in the acquiree, the excess is recognized immediately in profit or loss as a bargain purchase gain.

e. Foreign currencies

In preparing the financial statements of the Corporation, transactions in currencies other than the Corporation's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Nonmonetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period. When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income.

Nonmonetary items that are measured at historical cost in a foreign currency are not retranslated.

f. Inventories

Inventories consist of raw materials, supplies, work-in-process and finished goods. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at standard cost and adjusted to approximate weighted-average cost on the balance sheet date.

g. Investments in subsidiaries

The Corporation uses the equity method to account for its investment in subsidiaries.

Subsidiaries are the entities (including structured entities) controlled by the Corporation.

Under the equity method, investments in subsidiaries are initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the subsidiaries. The Corporation also recognizes the changes in the Corporation's share of equity of subsidiaries attributable to the Corporation.

Changes in the Corporation's ownership interests in subsidiaries that do not result in the Corporation's loss of control over the subsidiaries are accounted for as equity transactions. Any difference between the carrying amounts of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Corporation's share of losses of a subsidiary equals or exceeds its interest in that subsidiary (which includes any carrying amount of the investment in the subsidiary accounted for by the equity method and long-term interests that, in substance, form part of the Corporation's net investment in the subsidiary), the Corporation continues recognizing its share of further losses.

Any excess of the cost of acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of a subsidiary recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When testing for impairment, the cash-generating unit is determined based on the financial statements as a whole by comparing its recoverable amount with its carrying amount. If the recoverable amount of the asset subsequently increases, the reversal of the impairment loss is recognized as a gain, but the increased carrying amount of an asset after a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized on the asset in prior years. An impairment loss recognized for goodwill is not reversed in subsequent periods.

When the Corporation loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, the Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Corporation had directly disposed of the related assets or liabilities.

Profits and losses from downstream transactions with a subsidiary are eliminated in full. Profits and losses from upstream transactions with a subsidiary and side stream transactions between subsidiaries are recognized in the Corporation's financial statements only to the extent of interests in the subsidiary that are not related to the Corporation.

h.Investments in associates

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The Corporation uses the equity method to account for its investments in associates and joint ventures.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the associate. The Corporation also recognizes the changes in the Corporation's share of the equity of associates attributable to the Corporation.

Any excess of the cost of acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Corporation subscribes for additional new shares of an associate and joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Corporation's proportionate interest in the associate and joint venture. The Corporation records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Corporation's ownership interest is reduced due to its additional subscription of the new shares of the associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Corporation's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Corporation's net investment in the associate), the Corporation discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Corporation has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is deducted from the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When a Corporation entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Corporation' financial statements only to the extent that interests in the associate are not related to the Corporation.

i. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss.

Properties under construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. These properties are depreciated and classified to the appropriate categories of property, plant and equipment when they are completed and ready for their intended use.

Depreciation is recognized using the straight-line method. Each significant part is depreciated separately. If the lease term is shorter than the useful lives, assets are depreciated over the lease term. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

j. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Corporation's cash-generating units (CGU) or groups of cash-generating units (referred to as cash-generating units) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributable goodwill, with its recoverable amount. However, if the goodwill allocated to a CGU is acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first, to reduce the carrying amount of any goodwill allocated to the unit and then, to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill should not be reversed in subsequent periods.

If goodwill has been allocated to a CGU and the entity disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal.

k.Intangible assets

1) Intangible assets acquired in a business combination

   Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are reported at cost less accumulated amortization and accumulated impairment loss.

   Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

2) Derecognition of intangible assets

   On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

l. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Corporation reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of CGU on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is reversed, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

m.Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sales transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Recognition of depreciation of those assets would cease.

n.Financial instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the financial instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a settlement date basis.

a) Measurement category

2018

The Corporation classified its financial assets into the following categories: financial asset at FVTPL, financial assets at amortized cost and equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 34.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost and financial liability with no active market are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Cash equivalents include time deposits, which are highly liquid, readily convertible to a known amount of cash. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Corporation may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Corporation's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2017

Financial assets are classified as financial assets at fair value through profit or loss, available-for-sale financial assets, and loans and receivables.

i. Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is held for trading.

Financial assets at fair value through profit or loss are stated at their fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset.

Fair value is determined in the manner described in Note 34.

ii. Available-for-sale financial assets

Available-for-sale (AFS) financial assets are non-derivatives that either are designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

AFS financial assets are measured at fair value. Dividends on AFS equity investments are recognized in profit or loss. Other changes in the carrying amounts of AFS financial assets are recognized in other comprehensive income and accumulated under other equity - unrealized gains (losses) on available-for-sale financial assets. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the other equity - unrealized gains (losses) on available-for-sale financial assets is reclassified to profit or loss.

Dividends on AFS equity instruments are recognized in profit or loss when the Corporation's right to receive the dividends is established.

AFS equity investments with no quoted market prices in an active market and with fair values that cannot be reliably measured are measured at cost less any identified impairment loss at the end of each reporting period and are recognized in a separate line item as financial assets carried at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between the carrying amount and the fair value is recognized in other comprehensive income. Any impairment losses are recognized in profit or loss.

iii. Loans and receivables

Loans and receivables (including notes and accounts receivable, cash and cash equivalents and debt investments with no active market) are measured at amortized cost using the effective interest method, less any impairment, except for short-term receivables when the effect of discounting is immaterial.

Cash equivalents include time deposits that are highly liquid, readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

2018

The Corporation recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), investments in debt instruments that are measured at FVTOCI and lease receivables.

The Corporation always recognizes lifetime expected credit losses (i.e. ECLs) for trade receivables and lease receivables. For all other financial instruments, the Corporation recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Corporation measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Corporation recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

2017

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, such as trade receivables, assets are collectively assessed for impairment even if they were assessed as not impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Corporation’s past experience in collecting payments and an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the impairment loss recognized is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original effective interest rate.

For financial assets measured at amortized cost, if the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

i. Significant financial difficulty of the issuer or counterparty; or

ii. Breach of contract, such as a default or delinquency in interest or principal payments; or

iii. It becoming probable that the borrower will undergo bankruptcy or financial reorganization; or

iv. The disappearance of an active market for that financial asset because of financial difficulties.

When an AFS financial asset is considered impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

For AFS equity securities, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income.

For financial assets that are carried at cost, impairment loss is measured as the difference between the asset’s carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. This impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets, with the exception of trade receivables and other receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable and other receivables are considered uncollectable, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss, except for uncollectable trade receivables and other receivables that are written off against the allowance account.

c) Derecognition of financial assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Before 2017, on derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss. Starting from 2018, on derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Corporation are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Corporation are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Corporation's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Corporation's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except in the following situation, all the financial liabilities are measured at amortized cost using the effective interest method:

i. Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is held for trading.

Financial liabilities held for trading are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any interest or dividend paid on the financial liability. Fair value is determined in the manner described in Note 34.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid is recognized in profit or loss.

4) Convertible bonds

The conversion options component of the convertible bonds issued by the Corporation that is settled other than by the exchange of a fixed amount of cash or other financial asset for a fixed number of the Company's own equity instruments is classified as derivative financial liabilities.

On initial recognition, the derivative financial liabilities component of the convertible bonds is recognized at fair value, and the initial carrying amount of the component of non-derivative financial liabilities is determined by deducting the amount of derivative financial liabilities from the fair value of the hybrid instrument as a whole. In subsequent periods, the non-derivative financial liabilities component of the convertible bonds is measured at amortized cost using the effective interest method. The derivative financial liabilities component is measured at fair value and the changes in fair value are recognized in profit or loss.

Transaction costs that relate to the issue of the convertible notes are allocated to the derivative financial liabilities component and the non-derivative financial liabilities component in proportion to their relative fair values. Transaction costs relating to the derivative financial liabilities component are recognized immediately in profit or loss. Transaction costs relating to the non-derivative financial liabilities component are included in the carrying amount of the liability component.

5) Derivative financial instruments

The Corporation enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risks.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately, but if the derivative is designated and effective as a hedging instrument, the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; otherwise, the derivative is recognized as a financial liability.

Before 2017, derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, such that their risks and characteristics are not closely related to those of the hybrid contracts and the contracts are not measured at fair value through profit or loss. Starting from 2018, derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

o.Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

The warranty of obligations products that meet the eligibility criteria are recognized at the date of sale of the relevant products and at the Corporation management's best estimate of the expenditure required to settle the obligations.

p.Revenue recognition

2018

The Corporation identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

For contracts where the period between the date on which the Corporation transfers a promised good or service to a customer and the date on which the customer pays for that good or service is one year or less, the Corporation does not adjust the promised amount of consideration for the effects of a significant financing component.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of solar cell, modules and power facilities construction. Sales of solar cell, modules and electric power plants are recognized as revenue when the goods are delivered to the customer's specific location to fulfill contractual obligation.

Revenue from the sale of goods is measured at the fair value of the consideration receive or receivable, which states net of discounts and other similar sales returns and allowances. In consideration of historical experience and other factors related to contract conditions, the Corporation recognizes such sales returns and allowances as contract liabilities shown in the consolidated balance sheet as other current liabilities.

If there is a need to cut or remove material before processing, such processed products do not transfer substantially all the risks and rewards to the customer, thus revenue can not be recognized.

2) Processing revenue

Revenue is recognized from providing process of solar cells services to customers. Processing revenue is recognized as a sale when customer obtains control over the assets to fulfill contractual obligation.

2017

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and similar allowances. Allowance for sales returns and liability for returns are recognized at the time of sale based on the seller's reliable estimate of future returns and based on past experience and other relevant factors.

1) Sale of goods

Revenue from the sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

a) The Corporation has transferred to the buyer the significant risks and rewards of ownership of the goods;
b) The Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
c) The amount of revenue can be measured reliably;
d) It is probable that the economic benefits associated with the transaction will flow to the Corporation; and
e) The costs incurred or to be incurred can be measured reliably.

The Corporation does not recognize sales revenue on materials delivered to subcontractors because this delivery does not involve a transfer of risks and rewards of the materials' ownership.

2) Dividend and interest income

Dividend income from investments is recognized when the Corporation's right to receive payment has been established and if it is probable that the economic benefits will flow to the Corporation and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Corporation and the amount of income can be measured reliably. Interest income is accrued over time by reference to the principal outstanding and the effective interest rate applicable.

q. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

1) The Corporation as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the lease.

2) The Corporation as lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

r. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalization.

Other than the situations stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

s. Government grants

Government grants are recognized when there is reasonable assurance that the Corporation will comply with the conditions attached to and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Corporation recognizes as expenses the related costs for which the grants are intended to compensate.

Government grants receivable as compensation for expenses or losses already incurred or for immediate financial support, with no future related costs, are recognized as other income in profit or loss in the period in which they become receivable.

t. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

u. Share-based payment arrangements (Employee share options)

1) Employee share options and restricted shares for employees
The fair values at the grant date of the employee share options and restricted shares for employees are expensed on a straight-line basis over the vesting period, based on the Corporation's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options and other equity - unearned employee benefits. The whole amount of benefit is recognized as an expense at the grant date if vested immediately.

When restricted shares for employees are issued, other equity - unearned employee benefits is recognized at the grant date, with a corresponding increase in capital surplus - restricted shares for employees. If restricted shares for employees are granted for consideration, and should be returned, they are recognized as payables. Dividends paid to employees on the restricted shares that do not need to be returned if employees resign in the vesting period, are recognized as expenses when the dividends are declared with a corresponding adjustment in retained earnings and capital surplus - restricted shares for employees.

At the end of each reporting period, the Corporation revises its estimate of the number of employee share options and restricted shares for employees expected to vest. The impact of the revision of the original estimate is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to capital surplus - employee share options or capital surplus - restricted shares of employees.

2) Share-based payment transactions of the acquiree in a business combination
When the share-based payment awards held by the employees of an acquiree (acquiree awards) are replaced by the Corporation's share-based payment awards (replacement awards), both the acquiree awards and the replacement awards are measured in accordance with the market-based measure at the acquisition date. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals the market-based measure of the acquiree awards multiplied by the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the acquiree award. The market-based measure of the replacement awards in excess of the market-based measure of the acquiree awards included in measuring the consideration transferred is recognized as a remuneration cost for post-combination service.

v. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax
Based on the Income Tax Law, an additional tax at 10% of unappropriated earnings is provided for as income tax in the year the shareholders approve the retention of earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be used.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Corporation is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to use the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the Corporation's expectations, at the end of the reporting period, as to the manner by which the carrying amount of its assets and liabilities will be recovered or settled.

3) Current and deferred tax for the year
Current and deferred taxes are recognized in profit or loss, but when these taxes pertain to items that are recognized in other comprehensive income or directly in equity, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

In the application of the Corporation's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a. Business model assessment for financial assets - 2018

The Corporation determines the business model at a level that reflects how corporation of financial assets are managed together to achieve a particular business objective. This assessment includes judgment about all relevant evidence including how the performance of the assets is evaluated, the risks that affect the performance of the assets and how these are managed, and how the managers of the assets are compensated. The Corporation monitors financial assets measured at amortized cost or at fair value through other comprehensive income, and when assets are derecognized prior to their maturity, the Corporation understands the reasons for their disposal and whether the reasons are consistent with the objective of the business for which the assets were held. Monitoring is part of the Corporation's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and, if it is not appropriate, whether there has been a change in the business model such that a prospective change to the classification of those assets is proper.

b. Estimated impairment of financial assets - 2018

The provision for impairment of trade receivables, investments in debt instruments, and financial guarantee contracts is based on assumptions about risk of default and expected loss rates. The Corporation uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Corporation's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Note 11. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

c. Write-down of inventory

The net realizable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale. The estimation of the net realizable value was based on current market conditions and historical experience with selling products of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

d. Useful lives of property, plant and equipment
As described in Note 4(i) above, the Corporation reviews the estimated useful lives of property, plant and equipment at each balance sheet date. Based on an evaluation report by China Property Appraising Co., Ltd., which used industry meta-analysis, functional analysis and economic analysis, the actual useful lives of the Corporation's equipment exceeded their original useful lives. Management thus determined that the useful lives of some machinery and equipment should be extended from 6 years to 8

or 11 years beginning from April 1, 2013.

e. Estimated impairment of assets other than goodwill
In assessing assets for impairment, income and expenses that may occur in the future, assets' useful lives, and independent cash flows for the particular asset group are based on subjective judgment in accordance with the asset's usage patterns and the industrial characteristics. Any change in the economic condition or in the estimation due to the Corporation's strategy may lead to a material impairment loss in the future.

f. Assessment of impairment losses on prepayments of long-term purchase contract

To ensure the stability of supply of raw materials in the manufacturing process, the Corporation entered into several long-term materials supply agreements, and made certain prepayments for later purchase deduction.

The purchase price was negotiated between the parties of the contract, and the purchase quantity of materials was depend on the provisions of the contract in addition to the operation of the supplier. The Corporation assesses if the prepayment impair, when the deduction of prepayment slow down. Operation and financial positions of suppliers deteriorate and cannot provide stable supply, adverse changes in the supply and demand of the market cause the actual purchase volume to be insufficient, and the raw material price declines, which may indicate impairment of prepayment.

g. Income taxes

The replicability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available. If the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal takes place.

h.Assessment of bargain purchase gain

The fair value assessment of the acquisition-date assets and liabilities and the amount of the bargain purchase gain were based on the purchase price allocation report. The impact of the recognition of bargain purchase gain due to the adopted method and assumptions which involve the use of critical accounting judgements and estimations. For further disclosures of assessment of bargain purchase gain, refer to Note 35 to the Corporation's consolidated financial statements for the year ended December 31, 2018.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2018	**2017**
Demand deposits	$ 7,107,002	$ 2,443,369
Checking accounts	15,186	3
Cash on hand	651	280
Cash equivalents		
Time deposits	104,985	134,000
	$ 7,227,824	$ 2,577,652

The market rate intervals of cash in the bank at the end of the reporting period were as follows:

	December 31	
	2018	**2017**
Bank balance	0%-1.015%	0%-0.17%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2018	2017
Financial liabilities at FVTPL - current		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts	$ -	$ 5,742

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

	Currency	Maturity Date	Notional Amount (In Thousands)
December 31, 2017			
Buy	Buy USD/Sell NTD	January 29, 2018	USD 6,000/ NTD 178,620
Buy	Buy USD/Sell NTD	January 29, 2018	USD 4,000/ NTD 119,080
Buy	Buy USD/Sell NTD	March 1, 2018	USD 5,000/ NTD 148,775
Buy	Buy USD/Sell NTD	March 14, 2018	USD 5,000/ NTD 149,200
Sell	Sell GBP/Buy USD	February 21, 2018	GBP 5,000/ USD 6,710
Sell	Sell GBP/Buy USD	February 22, 2018	GBP 4,000/ USD 5,372
Sell	Sell EUR/Buy USD	February 27, 2018	EUR 3,000/ USD 3,574
Sell	Sell EUR/Buy USD	February 27, 2018	EUR 3,000/ USD 3,575
Sell	Sell GBP/Buy USD	February 28, 2018	GBP 2,000/ USD 2,684

The Corporation entered into derivative transactions during 2017 to manage exposures of assets and liabilities denominated in foreign currency related to exchange rate changes.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – 2018

	December 31, 2018
Current	
Domestic investments	
Domestic quoted shares	
CTCI Corporation (“CTCI”)	$ 133,333
Non-current	
Domestic investments	
Domestic quoted shares	
Sino-American Silicon Products Inc. (“SAS”)	$ 1,337,855
ThinTech Materials Technology Co., Ltd. (“TTMC”)	66,240
Unlisted ordinary shares	
EXOJET Technology Corporation (“EXOJET”)	45,962
Taiwan Special Chemicals Corporation(“TSCC”)	18,601
NTNU Innovation Investment Holding Company(“NTNU”)	2,000
	1,470,658
Overseas investments	
Unlisted ordinary shares	

ASIA GLOBAL VENTURE CAPITAL CO., LTD	22,137
SUN APPENNINO CORPORATION	19,338
FICUS CAPITAL CORPORATION	-
	41,475
	$ 1,512,133

The Corporation invested in corporation mentioned above for long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with The Corporation's strategy of holding these investments for long-term purposes. These investments in equity instruments were classified as available-for-sale under IAS 39. Refer to Notes 3, 9 and 10 for information relating to their reclassification and comparative information for 2017.

The Corporation's investment in TTMC's private-placement shares under Article 43-8 of the Securities and Exchange Act, there is a legally enforceable restriction on private-placement shares, which prevents their trading.

Refer to Note 36 for the amount of investments in equity instruments at FVTOCI pledged by the Corporation to secure borrowings.

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS - 2017

	December 31, 2017
Non-current	
Domestic quoted shares	
ThinTech Materials Technology Co., Ltd. ("TTMC")	$ 59,000

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 that which is stated above, the AFS financial assets have not been pledged as security or for other purposes.

10. FINANCIAL ASSETS CARRIED AT COST - 2017

	December 31, 2017
Overseas unlisted common shares	
SUN APPENNINO CORPORATION	$ 22,590
FICUS CAPITAL CORPORATION	1,259
	$ 23,849
Classified according to financial asset measurement categories	
Available-for-sale financial assets	$ 23,849

Management believed that the above unlisted equity investments held by the Corporation had fair values that could not be reliably measured because the range of reasonable fair value estimates was significant; thus, these investments were measured at cost less impairment at the end of the reporting period.
The financial assets carried at cost have not been pledged as security or for other purposes.

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

	December 31	
	2018	**2017**
Notes and accounts receivable		
Notes and accounts receivable	$ 2,311,036	$ 1,472,104
Accounts receivable from related parties	574,141	242,898
Less: Allowance for impairment loss	(350,886)	(341,608)
	$ 2,534,291	$ 1,373,394
Other receivables		
Other receivables from related parties	$ 2,963,463	$ 5,091,172
Sales tax refund receivable	90,677	8,909
Others	12,937	694
Less: Allowance for impairment loss	(8,400)	-
	$ 3,058,677	$ 5,100,775

a. Notes and accounts receivable

2018

The credit periods for the sale of goods were (a) 30 to 90 days after the end of the month; (b) 7 to 150 days from the invoice date; and (c) 45 to 90 days for letters of credit. No interest was charged on account receivables. For overdue account receivables, interest was charged on the basis of management's judgment.

In order to minimize credit risk, the management of the Corporation 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 individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Corporation's credit risk was significantly reduced.

The Corporation applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the Corporation's historical credit loss experience shows significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is further distinguished according to the Corporation's different customer base.

The Corporation writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation. For trade receivables that have been written off, the Corporation continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Corporation's provision matrix.

December 31, 2018

	Not Past Due	Less Than or Equal to 30	31 to 60 Days	61 to 90 Days	91 to 120 Days	121 to 150 Days	151 to 180 Days	Over 180 Days	Signs of Counterparty	Total

		Days							Default	
Expected credit loss rate	0%-0.02%	0%-0.10%	0%-2.84%	0%-15.92%	0%-29.08%	0%-31.85%	0%-26.15%	0%-100%	100%	
Gross carrying amount	$ 1,257,611	$ 289,134	$ 361,737	$ 156,248	$ 28,199	$ 65,130	$ 4,060	$ 397,230	$ 325,828	$ 2,885,177
Loss allowance (Lifetime ECL)	(49)	(65)	(1,678)	(924)	(2,684)	(19,513)	(145)	-	(325,828)	(350,886)
Amortized cost	$ 1,257,562	$ 289,069	$ 360,059	$ 155,324	$ 25,515	$ 45,617	$ 3,915	$ 397,230	$ -	$ 2,534,291

The movements of the loss allowance of trade receivables are as follows:

	2018
Balance at January 1, 2018 per IAS 39	$ 341,608
Adjustment on initial application of IFRS 9	-
Balance at January 1, 2018 per IFRS 9	341,608
Add: Impairment losses	29,101
Less: Amounts written off	(19,823)
Balance at December 30, 2018	$ 350,886

2017

The Corporation applied the same credit policy in 2018 and 2017. 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 the irrecoverable amounts estimated through aging analyses, reference to past default of the counterparties and an assessment of the counterparties' current financial positions.

For the accounts receivable that were past due 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 December 31, 2017, the amounts of collateral or other credit enhancements for these receivables were $10,950 thousand. 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:

	December 31, 2017
Up to 60 days	$ 1,354,385
61-90 days	19,003
91-120 days	-
More than 120 days	341,614
Total	$ 1,715,002

The 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:

	December 31, 2017
Up to 60 days	$ 119,389
61-90 days	19,003
91-120 days	-
More than 120 days	6
Total	$ 138,398

The 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, 2017	$ 249,420	$ -	$ 249,420
Add: Impairment loss recognized on receivables	92,291	-	92,291
Less: Amount written off during the year	(103)	-	(103)
Balance at December 31, 2017	$ 341,608	$ -	$ 341,608

The allowance for impairment loss included individually impaired accounts receivable amounting to $341,608 thousand as of December 31, 2017. These amounts relate to the Corporation's risk control process involving customers with tight cash flows. The impairment recognized represents the difference between the carrying amount of these accounts receivable and the present value of the expected proceeds received from liquidation. The Corporation did not hold any collateral on these impaired receivables.

b. Other receivables

2018

The credit period was 60 days after the end of the month.

In order to minimize credit risk, the management of the Corporation 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 individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Corporation's credit risk was significantly reduced.

Loss allowance of finance lease receivables was estimated at the reporting date. For those with credit risk that did not increase significantly since initial recognition, 12-month ECL was applied; for those with credit risk that increased significantly since initial recognition, lifetime ECL was applied.

The aging of other receivables is as follows:

	December 31, 2018
Up to 60 days	$ 2,465,895
61-90 days	-
91-120 days	-
More than 120 days	601,182
Total	$ 3,067,077

The aging of other receivables that were impaired is as follows:

	December 31, 2018
Up to 60 days	$ 8,400

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

The movements of the loss allowance of other receivables are as follows:

	2018
Balance at January 1, 2018 per IAS 39	$ -
Adjustment on initial application of IFRS 9	-
Balance at January 1, 2018 per IFRS 9	-
Add: Impairment losses	8,400
Balance at December 31, 2018	$ 8,400

2017

The credit period was basically 60 days after the end of the month. The allowance for impairment loss was recognized on the basis of estimated irrecoverable amounts determined by an 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.

	December 31, 2017
Neither past due nor impaired	$ 4,308,433
Past due but not impaired - 61 days to 90 days	-
Past due but not impaired - 91 days to 120 days	12,270
Past due but not impaired - more than 120 days	780,072
	$ 5,100,775

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

Loans receivable were as follows:

	Collateral	Interest Rate	December 31 2018	December 31 2017
Fixed rate NTD-denominated loans receivables at NTD200,000 thousand (1)	$ -	1.608%	$ 200,000	$ -
Fixed rate USD-denominated loans receivables at USD3,500 thousand (1)	-	5%	107,590	358,176
Fixed rate NTD-denominated loans receivables at NTD68,000 thousand (1)	-	3%	24,000	-
Fixed rate USD-denominated loans receivables at USD35,000 thousand (1)	-	2.8%	-	1,044,680
			$ 331,590	$ 1,402,856

1) The repayments of US$8,500 thousand and of NT$44,000 thousand were received in 2018, and the remaining principal is expected to be received in full on the maturity date.

12. INVENTORIES

	December 31 2018	December 31 2017
Finished goods	$ 1,169,033	$ 787,016
Raw materials	521,647	375,964
Power facilities construction in progress	129,540	-
Work in progress	7,510	78,368
	$ 1,827,730	$ 1,241,348

In 2018, the cost of sales related to inventories was $11,295,715 thousand, which included (1) unallocated fixed manufacturing overheads of $770,259 thousand; (2) income of $4,432 thousand from the sale of scraps; (3) losses on purchase contracts of $319,657 thousand; (4) reversal of inventory write-downs of $9,207 thousand; and (5) loss of 14,189 thousand from the disposal of obsolete inventories.

In 2017, the cost of sales related to inventories was $11,195,316 thousand, which included (1) unallocated fixed manufacturing overheads of $1,021,397 thousand; (2) income of $7,509 thousand from the sale of scraps; (3) losses on purchase contracts of $1,063,138 thousand; (4) reversal of inventory write-downs of $288,547 thousand; and (5) loss of 34,889 thousand from the disposal of obsolete inventories.

The inventories had not been pledged as security or for other purposes.

13. NONCURRENT ASSETS HELD FOR SALE

	December 31	
	2018	2017
Machinery and equipment	$ -	$ 134,006
Office equipment	-	9
Miscellaneous equipment	-	3,673
	$ -	$ 137,688

On November 10, 2015, the Corporation's board of directors approved the disposal of the parcel of assets to TS Solartech Sdn Bhd. by installment payment. The first disposal had been completed on November 27, 2015; the second parcel of machinery and equipment was intended for transfer out before November 2016. However, installment accounts receivable from TS Solartech Sdn. Bhd., due to the disposal of machinery, were not recoverable after assessment, so the Corporation reclaimed those pieces of equipment in accordance with the contract, and that disposal group held for sale was reclassified to property, plant and equipment. The Corporation intended to dispose of the above equipment and reclassified such asset to non-current assets classified as held for sale in fourth quarter 2017. The Corporation assessed that there were indications of impairment because their recoverable amounts measured at fair value on a non-recurring basis of $137,668 thousand were estimated to be less than their carrying amounts, and thus, an impairment loss of $31,593 thousand was recognized, and the disposal was completed in the first quarter of 2018.

The non-recurring fair value, which is within Level 3 of the fair value hierarchy, has been measured using both the cost approach and the transaction price to the annual revenue for the recent sales of a comparable business with adjustments applied to reflect other factors that market participants would take into account. The significant unobservable inputs are primary market participants take into account.

On May 9, 2017, the Corporation's board of directors approved the disposal of the building in Zhunan and its auxiliary equipment and reclassified such assets to non-current assets classified as held for sale in the second quarter of 2017. The Corporation signed the disposal contract on July 11, 2017, and assessed that there were no indications of impairment because the selling price was higher than the carrying amount; the disposal was completed in the third quarter of 2017.

In the first quarter of 2017, the Corporation intended to dispose of a parcel of machinery and equipment and reclassified such assets to non-current assets classified as held for sale. The Corporation assessed that there were indications of impairment because their recoverable amount measured at fair value on a non-recurring basis of $45,097 thousand was estimated to be less than their carrying amount; and thus, an impairment loss of $12,076 thousand was recognized for the three months ended March 31, 2017, and the disposal was completed in the second quarter of 2017.

14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
	2018	2017
Investments in subsidiaries	$ 7,544,603	$ 5,970,838
Credit balance of investments accounted for using the equity method	134,504	18,127
	7,679,107	5,988,965
Investments in associates	992,806	680,891
	$ 8,671,913	$ 6,669,856

a. Investments in subsidiaries

	December 31	
	2018	2017
Unlisted companies		
Ultimate Energy Solution Limited ("UES")	$ 1,863,226	$ -
DelSolar Holding (Cayman) Ltd. ("DelSolar Cayman")	1,775,871	2,112,365
General Energy Solutions Inc. ("GES")	1,533,985	1,846,412
NSP Systems (BVI) Ltd. ("NSP BVI")	1,407,681	1,278,419
GES Energy Middle East FZE ("GES ME")	368,249	353,995
Apex Solar Corporation ("Apex")	157,341	-
NSP System Development Corp. ("NSP System")	145,785	162,163
NSP UK Holding Limited ("NSP UK")	143,188	117,666
Prime Energy Corp. ("Prime Energy")	80,222	50,832
New Ray Investment Corp. ("New Ray Investment")	64,262	57,518
Solartech Japan Corporation ("Solartech JP")	34,333	-
Zhongyang Corporation ("Zhongyang")	31,439	-
Huiyang Corporation ("Huiyang")	30,295	-
DelSolar Holding Singapore Pte Ltd. ("DelSolar Singapore")	18,692	(18,127)
Best Power Service Corp. ("BPS")	14,880	9,595
Solartech Materials Corporation ("SMC")	9,658	-
Utech Solar Corporation ("Utech")	(134,504)	-
	7,544,603	5,970,838
Credit balance of investments accounted for using the equity method	134,504	18,127
	$ 7,679,107	$ 5,988,965

As of December 31, 2018 and 2017, the Corporation continued recognition of its share of further losses of Utech and of DelSolar Singapore, which was experiencing losses, causing credit balances on the carrying values of investments. The credit balances on the carrying values were reclassified into credit balance of investments accounted for using the equity method.

At the end of the reporting period, the proportion of ownership and voting rights in subsidiaries held by the Corporation were as follows:

	December 31	
	2018	2017
UES	100.00%	-
DelSolar Cayman	100.00%	100.00%
GES	100.00%	100.00%
NSP BVI	100.00%	100.00%
GES ME	100.00%	100.00%
Apex	100.00%	-
NSP System	100.00%	100.00%
NSP UK	100.00%	100.00%
Prime Energy	100.00%	100.00%
New Ray Investment	100.00%	100.00%
Solartech JP	100.00%	-
Zhongyang	100.00%	-
Huiyang	100.00%	-
DelSolar Singapore	100.00%	100.00%
BPS	60.00%	60.00%
SMC	100.00%	-
Utech	98.30%	-

The acquisitions of the following subsidiaries, UES, Apex, Solartech JP, Zhongyang, Huiyang, SMC and Utech, were due to the absorption merging of two corporations, Gintech Energy and Solartech Energy on October 1, 2018.

The movement details of the subsidiaries held by the Corporation, refer to Note 30 and 31.

Refer to Note 47 to the Corporation's consolidated financial statements for the details of the subsidiaries indirectly held by the Corporation.

The investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2018 and 2017 were based on the associates' financial statements audited by the auditors for the same years.

The investment in the subsidiaries had not been pledged as collateral for bank loans.

b. Investments in associates

	December 31	
	2018	2017
Material associates		
Neo Cathay Power Corp. ("Neo Cathay")	$ -	$ 599,173
Associates that are not individually material		
Neo Cathay	616,896	-
TS Solartech SDN BHD ("TSST")	254,093	-
V5 Technology	69,860	72,402
Gintung Energy Corporation ("Gintung")	44,424	-
JNV SOLAR POWER Co., LTD ("JSP")	7,533	9316
Sunshine PV Corporation ("Sunshine PV")	-	-
Solar PV Corp. ("Solar PV")	-	-
	992,806	81,718
	$ 992,806	$ 680,891

1) Material associates

As of December 31, 2018, the Corporation did not have material associates.

At the end of the reporting period, the proportion of ownership and voting rights in associates held by the Corporation was as follows:

	December 31, 2017
Neo Cathay	40.00%

Summarized financial information in respect of the Corporation's material associates is set out below. The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRSs adjusted by the Corporation for equity accounting purposes.

Neo Cathay

	December 31, 2017
Current assets	$ 681,238
Non-current assets	817,097
Current liabilities	(400)
Equity	$ 1,497,935
Proportion of the Corporation's ownership	40.00%
Equity attributable to the Corporation/ Investment carrying value	$ 599,173

	For the Year Ended December 31, 2017
Operating revenue	$ -
Loss from operations	$ (11,584)
Net income (loss) for the period	$ 846
Other comprehensive income	$ -
Total comprehensive income (loss) for the period	$ 846

2) Aggregate information of associates that are not individually material

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

	December 31	
Name of Associate	**2018**	**2017**
Neo Cathay	40.00%	-
TSST	42.12%	-
V5 Technology	41.43%	41.43%
Gintung	36.38%	-
JSP	35.00%	35.00%
Sunshine PV	19.47%	-
Solar PV	19.92%	-

The acquisitions of the following associates, TSST, Gintung, Sunshine PV and Solar PV, were due to the absorption merging of two corporations, Gintech Energy and Solartech Energy on October 1, 2018.

Aggregate information of associates that are not individually material were as follows:

	For the Year Ended December 31	
	2018	2017
The Corporation's share of:		
Net (loss) income for the period	$ (103,477)	$ (12,362)
Other comprehensive (loss) income for the period	(36,641)	-
Total comprehensive (loss) income for the period	$ (140,118)	$ (12,362)

The Corporation had recognized impairment loss of equity investment of Sunshine PV, an associate, so that the Corporation did not recognize any share of profit or loss of associates. However, based on the changes in the Corporation's share of equity of associates attributable to the Corporation was $4,026 thousand, as of December 31, 2018.

The Corporation had recognized impairment loss of equity investment of Solar PV, an associate, so that the Corporation did not recognize any share of profit or loss of associates. However, based on the changes in the Corporation's share of equity of associates attributable to the Corporation was $361 thousand, as of December 31, 2018.

The information of the main business, principal operating place and registry country of the above associates and joint ventures is shown in Table 7 "Information on Investees".

Except for TSST and CFY, the investments accounted for using the equity method and the share of profit or loss and other comprehensive income of the investment were calculated based on the financial statements that have been audited. Management believes there is no material impact on the financial statements that have not been audited.

The investments in the associates had been pledged as collateral for bank loans, refer to Note 36.

15. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2018	2017
Carrying amounts		
Land	$ 1,436,596	$ 440,596
Buildings	5,983,064	1,774,910
Machinery and equipment	5,505,983	4,088,330
Research and development equipment	4,660	9,307
Office equipment	14,005	1,404
Leasehold improvements	16	24
Transportation equipment	1,002	-
Miscellaneous equipment	120,268	46,007
Advance payments and construction in progress	472,240	163,832
	$ 13,537,834	$ 6,524,410

	Year Ended December 31, 2017				
	Balance, Beginning of Year	Additions	Deduction	Reclassification	Balance, End of Year
Cost					
Land	$ 440,596	$ -	$ -	$ -	$ 440,596
Buildings	4,327,670	-	(99,820)	(1,468,862)	2,758,988
Machinery and equipment	14,035,013	-	(169,950)	696,466	14,561,529
Research and development equipment	59,521	-	(1,083)	38	58,476
Office equipment	56,121	-	(7,113)	(11,843)	37,165
Miscellaneous equipment	2,056	-	-	(1,994)	62
Leasehold improvements	302,573	159	(19,564)	(491)	282,677
Property under acceptance or construction	590,353	676,278	-	(1,102,799)	163,832
	19,813,903	$ 676,437	$ (297,530)	$ (1,889,485)	18,303,325

Accumulated depreciation					
Buildings	1,212,420	$ 184,168	$ (27,757)	$ (384,753)	984,078
Machinery and equipment	9,012,582	1,189,527	(68,219)	(88,770)	10,045,120
Research and development equipment	37,405	12,719	(955)	-	49,169
Office equipment	49,558	3,269	(7,099)	(9,967)	35,761
Leasehold improvements	1,403	200	-	(1,565)	38
Miscellaneous equipment	233,559	27,864	(16,725)	(8,028)	236,670
	10,546,927	$ 1,417,747	$ (120,755)	$ (493,083)	11,350,836
Accumulated impairment					
Machinery and equipment	451,858	$ 42,639	$ (17,952)	$ (48,466)	428,079
Miscellaneous equipment	891	1,030	-	(1,921)	-
	452,749	$ 43,669	$ (17,952)	$ (50,387)	428,079
	$ 8,814,227				$ 6,524,410

	Year Ended December 31, 2018					
	Balance, Beginning of the Period	Acquired from Business Combinations	Additions	Deductions	Reclassifications	Balance, End of Period
Cost						
Land	$ 440,596	$ 996,000	$ -	$ -	$ -	$ 1,436,596
Buildings	2,758,988	4,389,300	-	-	-	7,148,288
Machinery and equipment	14,561,529	2,709,000	-	(2,000)	63,366	17,331,895
Research and development equipment	58,476	1,808	-	-	450	60,734
Office equipment	37,165	4,915	102	-	9,380	51,562
Leasehold improvements	62	-	-	-	-	62
Transportation equipment	-	1,088	-	-	-	1,088
Miscellaneous equipment	282,677	105,027	-	(398)	4,141	391,447
Property under acceptance or construction	163,832	-	388,452	-	(80,044)	472,240
	18,303,325	$ 8,207,138	$ 388,554	$ (2,398)	$ (2,707)	26,893,912
Accumulated depreciation						
Buildings	984,078	$ -	$ 181,146	$ -	$ -	1,165,224
Machinery and equipment	10,045,120	-	1,354,713	(2,000)	-	11,397,833
Research and development equipment	49,169	-	6,905	-	-	56,074
Office equipment	35,761	-	1,796	-	-	37,557
Leasehold improvements	38	-	8	-	-	46
Transportation equipment	-	-	86	-	-	86
Miscellaneous equipment	236,670	-	34,907	(398)	-	271,179
	11,350,836	$ -	$ 1,579,561	$ (2,398)	$ -	12,927,999
Accumulated impairment						
Machinery and equipment	428,079	$ -	$ -	$ -	$ -	428,079
	$ 6,524,410					$ 13,537,834

The recognition of an impairment in 2017 refer to Note 13 for related disclosure.

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
Leasehold improvements	4-11 years
Transportation equipment	3-5 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 36 for the carrying amount of property, plant and equipment pledged by the Corporation to secure borrowings.

The Corporation insured its property, plant and equipment in accordance the carrying amount of property, plant and equipment within the amount of $44,641,100 thousand.

For the year ended December 31, 2018, there were reclassifications from property under acceptance or construction of $2,707 thousand to other expense.

For the year ended December 31, 2017, there were reclassifications from property under acceptance or construction of $6,535 thousand to other expenses, from building, machinery and equipment and miscellaneous equipment of $1,339,480 thousand to non-current assets classified as held for sale; the deductions were purchase discount and adjustment to cost of property, plant and equipment of $41,422 thousand, disposal of property, plant and equipment of $117,401 thousand.

16. INTANGIBLE ASSETS

	December 31	
	2018	**2017**
Carrying amounts of each class		
Software	$ 8,051	$ -

	Software
Cost	
Balance at January 1, 2018	$ -
Acquired from Business Combinations	9,103
Balance at December 31, 2018	$ 9,103
Accumulated amortization	
Balance at January 1, 2018	$ -
Amortization	1,052
Balance at December 31, 2018	$ 1,052
	$ 8,051

Amortization expense is on a straight-line basis over the following estimated useful lives of the assets:

Software	1-4 years

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

17. PREPAYMENTS AND OTHER ASSETS

	December 31	
	2018	2017
Prepayments		
Prepayments to suppliers	$ 2,417,797	$ 876,415
Prepayments for equipment	200,486	551
Others	124,905	13,360
	$ 2,743,248	$ 890,326
Other assets		
Restricted assets - current	$ 3,465,720	$ 360,079
Pledged time deposits	526,523	209,277
Overpaid sales tax	337,588	-
Restricted assets - non-current	-	1,861,336
Others	261,325	260
	$ 4,591,156	$ 2,430,952
Prepayments		
Current	$ 347,032	$ 126,599
Non-current	2,396,216	763,727
	$ 2,743,248	$ 890,326
Other assets		
Current	$ 4,591,156	$ 569,356
Non-current	-	1,861,596
	$ 4,591,156	$ 2,430,952

The Corporation recognized an impairment loss on prepayments after an assessment; refer to Note 37.

18. LOANS

a.Short-term bank loans

	December 31	
	2018	2017
Secured borrowings		
Bank loans	$ 200,000	$ -
Unsecured borrowings		
Line of credit borrowings (1)	4,583,903	5,748,074
	$ 4,783,903	$ 5,748,074

1)The range of weighted average effective interest rates on bank loans was 0.8800%-4.0698% and 0.8000%-3.4567% per annum as of December 31 2018 and 2017, respectively.

2) The unused amount of short-term bank loan facilities were $4,357,293 thousand and $3,499,632 thousand, as of December 31, 2018 and 2017, respectively.

3) The assets pledged as collaterals for short-term bank loans are shown in Note 36.

b. Short-term bills payable

	December 31	
	2018	2017
Commercial papers	$ -	$ 200,000
Less: Unamortized discount on bills payable	-	(415)
	$ -	$ 199,585

Outstanding short-term bills payable were as follows:

December 31, 2017

Promissory Institutions	Nominal Amount	Discount Amount	Carrying Value	Interest Rate
Commercial paper				
Taiwan Cooperative Bills Finance Corporation	$ 200,000	$ 415	$ 199,585	0.972%

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

c. Long-term bank loans

	December 31	
	2018	2017
Secured loan		
3.6 billion syndicated loan from Mega Bank (1)	$ 2,832,000	$ -
4.2 billion syndicated loan from First Bank (1)	2,570,000	-
3.3 billion syndicated loan from Taiwan Cooperative Bank	1,327,550	2,160,000
KGI Bank loan	250,000	-
0.55 billion syndicated loan from First Bank (1)	178,750	-
Union Bank of Taiwan loan (1)	11,660	-
Unsecured loan		
King's Town Bank	1,210,000	1,470,000
0.5 billion syndicated loan from First Bank (1)	337,500	-
Cota Commercial Bank loan (1)	16,664	-
Other borrowings		
Machinery and equipment Financing from EQUVO Pte., Ltd.	672,941	-
Inventory Financing from JihSun International Leasing & Finance Co., Ltd.	90,370	-
Inventory Financing from Taichung Bank Leasing & Finance Co., Ltd	71,555	-
Inventory Financing from Hotai Finance Corporation	58,562	-
Inventory Financing from IBT Leasing Corporation Limited	3,850	18,963
Inventory Financing from Robina Finance Leasing Corporation Limited	-	150,000
	9,631,402	3,798,963
Less: Current portion	(3,218,987)	(2,615,113)
	$ 6,412,415	$ 1,183,850
The range of interest rate	1.6894%-6.9239%	1.6200%-3.7510%
The period of contracts	December 30, 2014 to September 26, 2022	November 5 2015 to May 10, 2021

Note 1: Acquisitions through business combinations of Gintech Energy and Solartech Energy on October 1, 2018.

1) The bank borrowing restrictions are as follows:

During the credit period, the agreement on the Mega Bank syndicated loans requires the maintenance of certain financial ratios based on the Corporation's annual and semiannual nonconsolidated financial reports. The related restrictions are as follows:

a) Current ratio (Current assets ÷ Current liabilities): At least 100%; and
b) Debt to equity ratio (Total liabilities and the guarantee balance ÷ Tangible net worth): No more than 150%;

The Corporation did not violate the required financial ratios as of December 31, 2018.

During the credit period, from 2019, the agreement on the First Bank syndicated loans requires the maintenance of certain financial ratios based on the Corporation's annual and semiannual nonconsolidated financial reports. The related restrictions are as follows:

a) Current ratio (Current assets ÷ Current liabilities): At least 100%;
b) Debt to equity ratio (Total liabilities and the guarantee balance ÷ Tangible net worth): No more than 120%;
c) Interest coverage ratio [(Income before tax + Depreciation + Amortization + Interest expense) ÷ Interest expense]: At least 1; and
d) Tangible net worth: At least $6 billion.

During the credit period, the agreement on the Taiwan Cooperative Bank syndicated loans requires the maintenance of certain financial ratios based on the Corporation's annual and semiannual nonconsolidated financial reports. The related restrictions are as follows:

a) Current ratio (Current assets ÷ Current liabilities): At least 100%;
b) Debt to equity ratio (Total liabilities and the guarantee balance ÷ Tangible net worth): No more than 125%;
c) Interest coverage ratio [(Income before tax + Depreciation + Amortization + Interest expense) ÷ Interest expense]: At least 3; and

d) Tangible net worth: At least $10 billion.

The Corporation did not violate the required financial ratios as of December 31, 2018.

The Corporation did not meet the required current ratio, debt to equity ratio and interest coverage ratio as of December 31, 2017; thus, the Corporation paid the related compensation expenses under the loan agreements during 2018.

2) Other loan restrictions are as follows:

The Corporation entered into a loan agreement with IBT Leasing Co., Ltd., Jih Sun International Leasing & Finance Co., Ltd. and other non-financial institutions. Notes payable were used by the Corporation to repay the outstanding principal amount, including interest, in equal installments; as of December 31, 2018 and 2017, the sum of all outstanding installments were $228,357 thousand and $172,415 thousand, including interest amounting to $4,020 thousand and $3,452 thousand, respectively.

The amount of refundable deposits for inventory buyback financing was $220,000 thousand and 15,000 thousand as of December 31, 2018 and 2017, respectively.

The assets pledged as collaterals for long-term bank loans are shown in Note 36.

The unused amount of long-term bank loan facilities were $790,000 thousand and zero as of December 31,2018 and 2017, respectively.

19. BONDS PAYABLE

	December 31	
	2018	2017
Secured overseas convertible bonds	$ 3,614,497	$ 3,425,011
Less: Current portion	(3,614,497)	-
	$ -	$ 3,425,011

a. Secured overseas convertible bonds

On October 27, 2016, the Corporation issued the third secured overseas convertible bonds, listed on the Singapore Exchange Securities Trading Limited. The convertible bonds contained the host liability instrument, the conversion option and derivative instrument of redemption option. The effective interest rate of the host liability instrument on initial recognition was 3.186% per annum, and the conversion option derivative instruments were measured at fair value through profit or loss.

Movement of the host liability instrument, the conversion option and derivative instrument of the redemption option were as follows:

	The Host Liability Instrument		The Conversion Option and Derivative Instrument of Redemption Option	
	US$	NT$	US$	NT$
The date of issue	$ 111,553	$ 3,518,939	$ 5,532	$ 174,728
Rate adjusted	-	81,974	-	8
Interest charged at an effective interest rate	631	20,244	-	-
Accrued interest payable	(160)	(5,119)	-	-
Fair value changes gain	-	-	(5,520)	(174,349)
Balance at December 31, 2016	112,024	3,616,038	12	387
Rate adjusted	-	(273,624)	-	-
Interest charged at an effective interest rate	3,627	109,977	-	-
Accrued interest payable	(903)	(27,380)	-	-
Fair value changes gain	-	-	(12)	(387)
Balance at December 31, 2017	114,748	3,425,011	-	-
Rate adjusted	-	103,951	-	-
Interest charged at an effective interest rate	3,744	112,981	-	-
Accrued interest payable	(909)	(27,446)	-	-
Fair value changes gain	-	-	-	-
Balance at December 31, 2018	$ 117,583	$ 3,614,497	$ -	$ -

The agreement of ING Bank requires the maintenance of certain financial ratios during the conversion period of the third secured overseas convertible bonds based on the Corporation's annual and semiannual non-consolidated financial reports. The related restrictions are as follows:

1) Current ratio (Current assets ÷ Current liabilities): At least 110%;
2) Debt to equity ratio (Total liabilities ÷ Total shareholders' equity): No more than 125%, where contingent liabilities are included when total liabilities are calculated;
3) Interest coverage ratio [(Income before tax + Depreciation + Amortization + Interest expense) ÷ Interest expense]: At least 3; and
4) Tangible net worth: At least 10 billion.

The Corporation did not meet the required current ratio, debt to equity ratio and interest coverage ratio as of December 31, 2017; thus, the Corporation transferred $1,861,336 thousand into the escrow account as required under the agreement. However, these financial ratios did not meet this requirement which was not considered a breach.

The Corporation did not violate the required financial rations as of December 31, 2018.

The assets pledged as collaterals for bonds payable are shown in Note 36.

20. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	December 31	
	2018	2017
Accrued expenses		
Bonus	$ 270,138	$ 137,323
Loss on contracts	260,480	851,730
Salaries	187,665	101,445
Interests	119,884	356,554
Others	546,659	422,165
	$ 1,384,826	$ 1,869,217
Other liabilities		
Advanced receipts from customers	$ 54,165	$ 2,586
Receipts under custody	8,535	5,117
Others	1,478	1,813
	$ 64,178	$ 9,516
Current	$ 64,178	$ 7,703
Non-current	-	1,813
	$ 64,178	$ 9,516

21. PROVISIONS

	December 31	
	2018	2017
Current		
Customer returns and rebates	$ -	$ 1,535
Non-current		
Warranties	$ 265,706	$ 207,274

	Years Ended December 31	
	2018	2017
Customer returns and rebates		
Balance at January 1	$ 1,535	$ 4,751
Reclassified to refund liability	(1,535)	-
Additions	-	2,046
Usage	-	(1,149)
Reversals	-	(4,113)
Balance at December 31	$ -	$ 1,535
Warranties		
Balance at January 1	$ 207,274	$ 170,966
Additions	59,725	37,578
Usage	(1,293)	(1,270)
Balance at December 31	$ 265,706	$ 207,274

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 in the periods the related goods were sold.

The Corporation has adopted IFRS 15 starting from January 1, 2018. The Corporation recognized the estimation of sales returns and allowances as refund liability, which was classified under other current liabilities.

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.

22. RETIREMENT BENEFIT PLANS

The Corporation makes 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.

23. EQUITY

a. Shares capital

1) Common shares

	December 31	
	2018	2017
Number of shares authorized (in thousands)	3,200,000	1,200,000
Amount of shares authorized	$ 32,000,000	$ 12,000,000
Number of shares issued and fully paid (in thousands)	2,515,759	1,019,256
Shares issued	$ 25,157,599	$ 10,192,564
Share premiums	963,007	6,020,328
	$ 26,120,606	$ 16,212,892

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

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

On March 21, 2017, the Corporation's board of directors approved an increase in its capital by an issuance of up to 180,000 thousand shares through private-placement shares, which was approved by the shareholders in their meeting on June 14, 2017. On January 29, 2018, the Corporation's board of directors resolved not to continue handling the private-placement issuance.

On October 16, 2017, the Corporation considered the development of the solar energy industry and the growth of future requirements in its investment strategy in order to expand its share in the solar energy industry and strengthen operating ability. The Corporation's board of directors approved to increase the investment in GES by 46,104,764 ordinary shares of GES by public tender offer (approximately 24.11% of the total issued ordinary shares of GES), and GES will become a 100%-owned subsidiary of the Corporation. As of November 6, 2017, the acquisition date, the Corporation acquired 43,090,282 shares, and obtained a total of 3,014,482 shares from other shareholders in November and December 2017.

On October 16, 2017, the Corporation's board of directors approved to sign the merger intent letter with Gintech and SEC, with the Corporation as the surviving company after the merger, and will be renamed United Renewable Energy Co., Ltd. as soon as possible after the effective date of the merger in order to reflect the equality and common objective of the merged companies which is to pursue progress of the merged company.

On January 29, 2018, the Corporation's board of directors approved to sign a merger agreement with Gintech and SEC, and the date of the merger is October 1, 2018. On March 28, 2018, the Corporation, Gintech and SEC approved the merger in their shareholders' meeting.

In connection with the combined contract, Gintech and SEC are entitled to convert outstanding ordinary shares, including private equity and restricted employee share options, through a share swap at a 1:1.39 and 1:1.17 ratio ("sum of the consideration"), respectively. Regarding the share swap, the Corporation expected a total capital increase of NT$11,644,007 thousand and issued new shares amounted to 1,164,401 thousand shares (including 40,122 thousand shares of private-placement shares,), all ordinary shares, with a par value of NT$10 which was approved by the FSC on July 23, 2018. On August 3, 2018, the Corporation's board of directors ruled that, due to the cancellation of part of the issue of employee rights shares issued by the Corporation, Gintech and SEC, the conversion equity was changed, and the new shares issued by the merger and capital increase were adjusted from 1,164,401 thousand shares to 1,164,020 thousand shares, the base date of the merger and the date of listing of the new shares issued by the capital increase were October 1, 2018.

To meet the needed amount of consideration to be paid for the combination through the issuance of ordinary shares and the liquidity requirement of the merged entity, the Corporation processed a NT$14,000,000 thousand capital increase. The Corporation's total amount of capital is NT$32,000,000 thousand after the capital increase. The number of ordinary shares issued with a par value of NT$10 was 3,200,000 thousand shares.

On January 29, 2018, the Corporation's board of directors approved to increase its capital by an issuance of up to 380,000 thousand shares through private-placement shares, which was also subject to approval by the shareholders in their meeting on March 28, 2018. On October 1, 2018, the Corporation's board of directors approved an increase of its capital by $2,781,307 thousand through a private placement of 334,292 thousand new ordinary shares at NT$8.32 per share with the effective date on October 15, 2018.

To integrate the overall resources and to improve the operational efficiency of the Corporation, on February 22, 2019, the Corporation's board of directors approved to sign a simplified merger agreement with 100% sharing subsidiary, GES, according to Article 19 of the Corporate Mergers and Acquisitions Act and other relevant laws and regulations, with the Corporation as the surviving company and GES as the extinct company after the merger ("the merger"). Considering that the entire issued share capital of GES was held by the Corporation, the share capital of GES held by the Corporation will be cancelled at no cost on the date of the merger. In the merger, the Corporation does not need to pay in exchange for shares. The tentative date of the merger is March 31, 2019. If the date of the merger, other related matters or matters not resolved need to change because of the administrative guidance by competent authorities, laws, or changes in our objective or social environment, it is proposed to fully authorize the chairman or his designee to handle the matter.

b. Capital surplus

	December 31	
	2018	**2017**
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Share premiums	$ 963,007	$ 5,899,866
May only be used to offset a deficit (2)		
Share of changes in capital surplus of associates or joint ventures	42,000	-
Share premiums - employee restricted shares	-	117,440
Share premiums - Arising from employee share options	-	3,022
May not be used for any purpose		
Arising from employee restricted shares	6,016	7,837
	$ 1,011,023	$ 6,028,165

1) Such capital surplus may be used to offset a deficit; in addition, when the Corporation 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 arises from the effect of changes in ownership interest in a subsidiary resulting from equity transactions other than actual disposal or acquisition, or from changes in capital surplus of a subsidiary accounted for using the equity method and adjustments for the capital surplus generated from the convertible bonds when they expire.

c.Retained earnings and dividend policy

Under the dividend policy, if the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 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 the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors and supervisors before and after the amendment, refer to Note 25 (f).

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

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

Items referred to under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Corporation.

The offset of accumulated deficits for 2017 and 2016 had been proposed by the shareholders' meeting on June 20, 2018 and on June 14, 2017, respectively. The information is as follows:

	Offset of Accumulated Deficits	
	For the Year Ended December 31	
	2017	2016
Offset of Accumulated Deficits with capital surplus	$ 4,611,501	$ 6,309,786

	Offset of Accumulated Deficits
Offset of Accumulated Deficits with capital surplus	$ 369,468

The offset of accumulated deficit in 2018 is subject to resolution in the shareholders' meeting expected to be held on June 17, 2019.

d. Other equity items

1) Unrealized loss on available-for-sale financial instruments

	For the Year Ended December 31, 2017
Balance at January 1	$ (53,259)
Unrealized loss on revaluation of available-for-sale financial assets	(10,160)
Unrealized loss on revaluation of available-for-sale financial assets of the subsidiaries accounted for using the equity method	(8,463)
Balance at December 31	$ (71,882)

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

2) Unrealized gain on financial assets at FVTOCI

	For the Year Ended December 31, 2018
Balance at January 1 per IAS 39	$ (71,882)
Adjustment on initial application of IFRS 9	(59,009)
Balance at January 1 per IFRS 9	(130,891)
Recognized during the period	
Unrealized gain - equity instruments	(394,342)
The losses of investments accounted for using the equity method	(2,664)
Balance at December 31	$ (527,897)

e. Treasury shares

Purpose of Buy-back	Shares Held by Subsidiaries (In Thousands of Shares)
Number of shares at January 1, 2018	-
Acquisitions through business combinations	1,883
Number of shares at December 31, 2018	1,883

The Corporation acquired treasury shares as result of merging Gintech on October 1, 2018.

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
December 31, 2018			
Utech	1,883	$ 18,699	$ 14,747

The shares of the Corporation held by Utech has been treated as treasury stock. They are same as general shareholders except for the rights of cash injection and the rights of voting.

24. REVENUE

The analysis of the Corporation's revenue was as follows:

	Years Ended December 31	
	2018	2017
Revenue from contracts with customers		
Revenue from the sale of goods	$ 9,977,340	$ 8,725,726
Processing fees revenue	56,344	124,691
Revenue from the sale of power facilities	2,463	-
Service revenue	143	-
Revenue from other activities	273,830	269,568
	$ 10,310,120	$ 9,119,985

a) Contracts with customers

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of solar cell, modules and power facilities construction. Sales of solar cell, modules and electric power plants are recognized as revenue when the goods are delivered to the customer's specific location to fulfill contractual obligation.

Revenue from the sale of goods is measured at the fair value of the consideration receive or receivable, which states net of discounts and other similar sales returns and allowances. In consideration of historical experience and other factors related to contract conditions, the Corporation recognizes such sales returns and allowances as contract liabilities shown in the consolidated balance sheet as other current liabilities.

If there is a need to cut or remove material before processing, such processed products do not transfer substantially all the risks and rewards to the customer, thus revenue cannot be recognized.

b) Processing revenue

Revenue is recognized from providing process of solar cells services to customers. Processing revenue is recognized as a sale when customer obtains control over the assets to fulfill contractual obligation.

b) Contract balances

	December 31, 2018
Accounts receivable (Note 11)	$ 1,982,136
Accounts receivable - related party (Note 11)	$ 552,155
Contract liabilities - current	
Sale of goods	$ 187,109

Revenue of the reporting period recognized from the contract liabilities incurred from the beginning of the year is as follows:

	For the Year Ended December 31, 2018
From contract liabilities incurred from the beginning of the year	
Sale of goods	$ 74,703

c) Disaggregation of revenue

	For the Year Ended December 31, 2018
Geographical markets	
Taiwan	$ 5,663,337
Germany	1,982,989
Others	2,663,794
	$ 10,310,120
Timing of revenue recognition	
Satisfied at a point in time	$ 10,310,120

25. NET (LOSS) PROFIT AND OTHER COMPREHENSIVE INCOME (LOSS)

a. Other income and expenses

	Years Ended December 31	
	2018	2017
Gain (loss) on disposal of non-current assets held for sale	$ (2,403)	$ 1,383
Impairment loss on property, plant and equipment	-	(43,669)
Loss on disposal of property, plant and equipment	-	(115,660)
	$ (2,403)	$ (157,946)

b. Interest income and other income

	Years Ended December 31	
	2018	2017
Interest income		
Financing provided to related parties	$ 25,246	$ 46,880
Bank deposits	20,779	12,565
Others	668	1
	$ 46,693	$ 59,446

(Continued)

	Years Ended December 31	
	2018	2017
Other income		
Late payment	$ 24,926	$ -
Insurance compensation income	19,801	4,627
Rental income	8,381	3,420
Government grants	2,693	407
Compensation income	1,693	956
Others	24,208	4,730
	$ 81,702	$ 14,140

(Concluded)

c. Finance costs

	Years Ended December 31	
	2018	2017
Interest on bank loans	$ 240,396	$ 188,714
Interest on convertible bonds	112,981	109,977
Interest on contract compensation	13,024	286,388
Other interest expenses	29,043	1,900
	$ 395,444	$ 586,979

d. Depreciation and amortization

	Years Ended December 31	
	2018	2017
Property, plant and equipment	$ 1,579,561	$ 1,417,747
Intangible assets	$ 1,052	$ -
An analysis of depreciation by function		
Operating costs	$ 1,505,413	$ 1,353,716
Operating expenses	74,148	64,031
	$ 1,579,561	$ 1,417,747
An analysis of amortization by function		
Operating costs	$ 84	$ -
Operating expenses	968	-
	$ 1,052	$ -

e. Employee benefits expense

	Years Ended December 31	
	2018	**2017**
Post-employment benefits (Note 22)		
Defined contribution plans	$ 59,044	$ 53,847
Share-based payments		
Equity-settled share-based payments	16,492	7,668
Other employee benefits	1,518,902	1,289,717
Total employee benefits expense	$ 1,594,438	$ 1,351,232
An analysis of employee benefits expense by function		
Operating costs	$ 1,213,385	$ 991,036
Operating expenses	381,053	360,196
	$ 1,594,438	$ 1,351,232

f. Bonuses to employees and directors

The amendments stipulate distribution of employees' compensation and remuneration of directors at rates of no less than 3% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The Corporation incurred a deficit for the years ended December 31, 2018, 2017 and 2016; and thus, neither compensation to employees nor remuneration of directors was estimated.

If there is a change in the proposed amounts after the date the annual financial statements have been authorized for issue, the differences are accounted for as a change in the accounting estimate in the following year.

Information on the employees' compensation and remuneration of directors and supervisors resolved by the Corporation's board of directors in 2019 and 2018 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

g. Net (loss) gain on foreign currency exchange

	Years Ended December 31	
	2018	**2017**
Foreign exchange gains	$ 2,437,907	$ 615,147
Foreign exchange losses	(2,483,966)	(545,522)
Net (loss) profit	$ (46,059)	$ 69,625

h.Components of other comprehensive income reclassification

	Years Ended December 31	
	2018	2017
Unrealized loss on financial assets at FVTOCI		
Arising during the year		
Unrealized gain - equity instruments	$ (394,342)	$ -
The losses of investments accounted for using the equity method	(2,664)	-
	$ (397,006)	$ -
Unrealized (losses) gains on available-for-sale financial assets:		
Arising during the year		
Unrealized gain - equity instruments	$ -	$ (10,160)
The losses of investments accounted for using the equity method	-	(8,463)
	$ -	$ (18,623)
Exchange difference on translating foreign operations:		
Arising during the year		
Exchange difference on translating foreign operations	$ 110,942	$ (281,849)
The losses of investments accounted for using the equity method	(1,996)	(24,609)
	$ 108,946	$ (306,458)

26. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expenses were as follows:

	For the Year Ended December 31	
	2018	2017
Current tax		
Current year	$ -	$ -
Prior periods	-	(363)
Income tax expense recognized in profit or loss	$ -	$ (363)

A reconciliation of profit and current income tax (expense) benefit is as follows:

	For the Year Ended December 31	
	2018	2017
Loss before tax	$ (468,294)	$ (4,153,800)
Income tax benefit at calculated statutory rate	$ 93,659	$ 706,146
Non-deductible expenses in determining taxable income	352,852	(60,430)
Unrecognized loss carryforwards	(452,594)	(420,630)
Unrecognized deductible temporary differences	6,083	(225,086)
Adjustments for prior years' tax expense	-	(363)
Income tax expense recognized in profit or loss	$ -	$ (363)

In 2017, the applicable corporate income tax rate used by the Corporation entities in the ROC is 17%. However, the Income Tax Act in the ROC was amended in 2018, and the corporate income tax rate was adjusted from 17% to 20%, effective in 2018. In addition, the rate of the corporate surtax applicable to the 2018 unappropriated earnings will be reduced from 10% to 5%.

b. Current tax assets and liabilities

	For the Year Ended December 31	
	2018	2017
Current tax assets		
Tax refund receivable	$ 3,318	$ 4,417
Acquired from business combinations	1,906	-
	$ 5,224	$ 4,417

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2018

	Balance, Beginning of Year	Movements	Balance, End of Year
Deferred tax assets			
Temporary differences			
Depreciation differences on property, plant and equipment	$ 7,452	$ (25)	$ 7,427
Write-downs of inventories	1,254	423	1,677
Others	37,353	561,278	598,631
	$ 46,059	$ 561,676	$ 607,735
Deferred tax liabilities			
Temporary differences			
Unrealized foreign exchange gain	$ 17,381	$ 2,419	$ 19,800
Unrealized gain or financial instructions at fair value through profit or loss	28,678	927	29,605
Others	-	6,206	6,206
	$ 46,059	$ 9,552	$ 55,611

For the year ended December 31, 2017

	Balance, Beginning of Year	Movements	Balance, End of Year
Deferred tax assets			
Temporary differences			
Depreciation differences on property, plant and equipment	$ 8,332	$ (880)	$ 7,452
Write-downs of inventories	4,263	(3,009)	1,254
Others	19,016	18,337	37,353
	$ 31,611	$ 14,448	$ 46,059
Deferred tax liabilities			
Temporary differences			
Unrealized foreign exchange gain	$ -	$ 17,381	$ 17,381
Unrealized gain or financial instructions at fair value through profit or loss	31,611	(2,933)	28,678

$ 31,611	$ 14,448	$ 46,059

d.Deductible temporary differences, unused loss carryforwards and unused investment credits for which no deferred tax assets have been recognized in the balance sheets

	December 31	
	2018	**2017**
Loss carryforwards		
Expiry in 2017	$ -	$ 3,336,455
Expiry in 2018	-	152,401
Expiry in 2023	114,308	-
Expiry in 2024	7,397	-
Expiry in 2025	255,777	485,635
Expiry in 2026	1,251,072	1,516,103
Expiry in 2027	1,977,191	2,474,297
Expiry in 2028	2,971,137	-
	$ 6,576,882	$ 7,964,891
Deductible temporary differences	$ 4,961,177	$ 5,965,795

Under Article 38 of the Business Mergers and Acquisitions Act, any loss of the Corporation and of DelSolar, Gintech Energy and Solartech Energy from within five years before the merger is tax-deductible pro rata by the shareholders' holding in the after-merger surviving company and can be deducted from its current year's profit from within 5 years. The last deduction year is due in 2018.

Under Article 43 of the Business Mergers and Acquisitions Act, amended on July 8, 2015, any loss of the Corporation, of Gintech Energy and of Solartech Energy from within ten years before the merger is tax-deductible pro rata by the shareholders' holding in the after-merger surviving company and can be deducted from its current year's profit from within 10 years. The last deduction year is due in 2028.

e. Information on tax-exemption

As of December 31, 2018, profits attributable to the following expansion projects were exempt from income tax for five years under the Statute for Upgrading Industries:

Statute for Upgrading Industries	Period
Expansion of the manufacturing plant acquired through a business combination	January 1, 2014 - December 31, 2018
Third expansion of the manufacturing plant	January 1, 2015 - December 31, 2019
Fourth expansion of the manufacturing plant	January 1, 2016 - December 31, 2020
Fifth expansion of the manufacturing plant	January 1, 2017 - December 31, 2021
Expansion of the manufacturing plant acquired through a business combination	January 1, 2017 - December 31, 2021

f. Income tax assessments

The Corporation's income tax returns through 2015 have been assessed by the tax authorities.

27. LOSS PER SHARE

Unit: NT$ Per Share

	Years Ended December 31	
	2018	**2017**
Basic loss per share	$ (0.34)	$ (4.08)
Diluted loss per share	$ (0.34)	$ (4.08)

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

Net loss for the year

	Years Ended December 31	
	2018	**2017**
Loss for the year	$ (468,294)	$ (4,154,163)
Effect of dilutive potential common shares:		
Interest on convertible bonds (after tax)	-	-
Loss used in the computation of diluted loss per share	$ (468,294)	$ (4,154,163)

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

	Years Ended December 31	
	2018	2017
Weighted average number of common shares used in the computation of basic loss per share	1,380,522	1,017,105
Effect of dilutive potential common shares:		
Convertible bonds	-	-
Restricted employee share options	-	-
Employee compensation or bonuses issued to employees	-	-
Employee share options	-	-
Weighted average number of common shares used in the computation of diluted loss per share	1,380,522	1,017,105

Since the Corporation is allowed to settle the remuneration of employees by cash or shares, the Corporation assumed that the entire amount of the employee 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 Corporation's the outstanding convertible bonds, restricted employee share options and employee share options, were anti-dilutive and excluded from the computation of diluted loss per share.

28. SHARE-BASED PAYMENT ARRANGEMENTS

The Corporation replaced DelSolar's employee share options because of a business combination. Other information on the replaced employee share option plan is as follows:

	Plan 6 in 2010		Plan 7 in 2010	
	Number of Options (In Thousands)	Weighted Average Exercise Price (NT$/Per Share)	Number of Options (In Thousands)	Weighted Average Exercise Price (NT$/Per Share)
For the year ended December 31, 2017				
Balance at combination date	26	$ 51.90	234	$ 61.90
Options canceled	(26)	51.90	(234)	61.90
Ending balance	-	-	-	-
Options exercisable, end of year	-	-	-	-

Restricted share plan for employees

On March 21, 2017, the Corporation's board of directors approved of a restricted share plan amounting to $21,000 thousand, consisting of 2,100 thousand shares with a par value of $10. Such plan may require consideration to be paid by employees at $10 or $0 per share. On June 14, 2017, the shareholders in their meeting proposed to offer the restricted share plan for employees. The issuance of 2,100 thousand shares was approved by the Financial Supervisory Commission (FSC) on July 24, 2017.

On August 8, 2017, the Corporation's board of directors approved of a restricted share plan amounting to $21,000 thousand, consisting of 2,100 thousand shares with a par value of $10 per share and distributed out of earnings, which was granted on September 15, 2017 and issued on September 30, 2017. On the granted date, an actual amount of $18,550 thousand was issued, which consisted of 1,855 thousand shares with a fair value of $14.45 per share.

The Corporation replaced restricted share plan for employees due to the merger in October 1, 2018.

Replaced employee share option plan was as follows:

Restricted share plan for employees	Original Number (In Thousands)	Outstanding Number (In Thousands)	Adjustment by Percentage of Outstanding Number (In Thousands)
Gintech Energy	2,000	881	1,225
Solartech Energy	4,455	4,185	4,896

Information on issued employee restricted shares was as follows:

	Shares（In Thousands）	
	For Year Ended December 31	
	2018	2017
Beginning balance	1,761	761
Acquisitions through business combinations	6,121	-
Additions	-	1,855
Vested	(821)	(641)
Canceled	(1,809)	(214)
Ending balance	5,252	1,761

a. Formerly Neo Solar Power Corp. and Gintech Energy

To meet the vesting conditions, an employee has to meet performance conditions over the vesting period as follows:

1) Still on service one year after the grant date with a high rating based on the current year's performance appraisal - vesting of 50% of restricted shares;

2) Still on service two years after the grant date with a high rating based on the prior year's performance appraisal - vesting of 50% of restricted shares.

The restrictions on the rights of the employees who acquire the restricted shares but have not met the vesting conditions are as follows:

1) In addition to those disclosed in the restricted share plan, the employees should not sell, pledge, transfer, donate or in any other way dispose of these shares.

2) On behalf of employees, the Corporation signed a trust contract on the restricted shares with a trust institution; thus, based on this contract, the rights of attendance, proposal, speech and voting have all been entrusted to the trust institution.

If an employee fails to meet the vesting conditions, the Corporation will buy back the restricted shares at the offering price and have them canceled but not the share and cash dividends during the period of noncompliance with vesting conditions.

b. Formerly Solartech Energy

Employees are able to subscribe for the restricted shares at $5 per share when they meet the vesting conditions. To meet the vesting conditions, an employee has to meet performance conditions over the vesting period as follows:

1) Still on service three years after the grant date with a high rating based on the prior year's performance appraisal - vesting of 100% of restricted shares.

The restrictions on the rights of the employees who acquire the restricted shares but have not met the vesting conditions are as follows:

1) In addition to those disclosed in the restricted share plan, the employees should not sell, pledge, transfer, donate or in any other way dispose of these shares.

If an employee fails to meet the vesting conditions, the Corporation will buy back the restricted shares at the offering price and have them canceled.

The Corporation recognized compensation costs of $16,492 thousand and $7,668 thousand for the years ended December 31, 2018 and 2017, respectively.

29. BUSINESS COMBINATIONS

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Gintech Energy	Solar-related business	October 1, 2018	100	$ 7,314,880
Solartech Energy	Solar-related business	October 1, 2018	100	4,399,288
				$ 11,714,168

a. Gain on bargain purchase due to consolidation

	Gintech Energy	Solartech Energy
Consideration transferred	$ 7,314,880	$ 4,399,288
Plus: Non-controlling interests	27,179	214
Less: Fair value of identifiable net assets acquired of Gintech Energy and Solar Energy	(6,023,001)	(5,296,758)
Less: Fair value of identifiable net assets acquired of Gintech Energy and Solar Energy's subsidiaries	(2,002,146)	(707,746)
	$ (683,088)	$ (1,578,002)

Gintech Energy and Solartech Energy were acquired in order to continue the expansion of the Corporation's activities in manufacturing solar cells and other solar related business. For details about the acquisition of Gintech Energy and Solartech Energy, refer to Note 23 and Note 35 to the Corporation's consolidated financial statements for the year ended December 31, 2018.

30. DISPOSAL OF SUBSIDIARIES

True Honour Limited was an investment company which was cancelled in October 2018 and returned the shares in December 2018.

The Corporation did not acquire any shares issued for cash of V5 Technology in August 2017, and the Corporation's equity interests in V5 Technology decreased from 60.85% to 41.43%, and control of V5 Technology passed to the acquirer on that date. For details about the disposal of V5 Technology, refer to Note 37 to the Corporation's consolidated financial statements for the year ended December 31, 2018.

31. PARTIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES - WITHOUT LOSS OF CONTROL

On October 16, 2017, the Corporation considers the development of the solar energy industry and the growth of the future requirement in its investment strategy, in order to expand the solar energy industry and strengthen the operating ability. The Corporation's board of directors approved to increase the investment in GES by 46,104,764 ordinary shares of GES by public tender offer (approximately 24.11% of the total issued ordinary shares of GES), and GES will become 100%-owned subsidiary of the Corporation. As of November 6, 2017, the acquisition date, the Corporation acquired 43,090,282 shares, and obtained a total of 3,014,482 shares from other shareholders in November and December, 2017.

The above transactions were accounted for as equity transactions since the Corporation did not cease to have control over these subsidiaries. For details about the acquisition of GES, refer to Note 38 to the Corporation's consolidated financial statements for the year ended December 31, 2018.

32. OPERATING LEASE ARRANGEMENTS

The Corporation as lessee

The Corporation leases Hsin-chu plants, Zhu-nan plants and lands and Hukou plants from the Science-Based Industrial Park Administration and GES, respectively, under renewable agreements expiring in December 2026, December 2037 and December 2019, with annual rentals of $10,260 thousand, $9,269 thousand and $4,606 thousand, respectively.

The Corporation leases Taipei office, Kaohsiung office, Taipei parking lots and Zhu-nan dormitory, the lease periods range from 1 to 4 years, with annual rentals of $4,080 thousand, $716 thousand, $80 thousand and $3,648 thousand, respectively.

As of December 31, 2018 and 2017, refundable deposits paid under operating leases were $2,167 thousand and $348 thousand, respectively.

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

	December 31	
	2018	**2017**
Up to 1 year	$ 32,659	$ 14,784
Over 1 year and up to 5 years	87,391	45,645
Over 5 years	160,545	41,039
	$ 280,595	$ 101,468

The lease payments recognized as expenses were as follows:

	For the Year Ended December 31	
	2018	2017
Minimum lease payment	$ 29,025	$ 31,385

33. 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.

34. FINANCIAL INSTRUMENTS

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

December 31, 2018

	Carrying Amount	Fair Value Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities measured at amortized cost					
Bonds payable	$ 3,614,497	$ -	$ -	$ 3,561,877	$ 3,561,877

December 31, 2017

	Carrying Amount	Fair Value Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities measured at amortized cost					
Bonds payable	$ 3,425,011	$ -	$ -	$ 3,390,979	$ 3,390,979

The fair values of the financial assets and financial liabilities included in the Level 3 categories above have been determined in accordance with the income approach based on a discounted cash flow analysis, with the most significant unobservable input being the discount rate that reflects the credit risk of counterparties.

The fair value of the liability component of convertible bonds, assuming redemptions on October 27, 2019 was determined with the most significant unobservable inputs being the discount rate in accordance with interest rates based on loans with similar terms.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Securities listed in the ROC	$ 1,471,188	$ 66,240	$ -	$ 1,537,428
Equity securities				
Domestic unlisted shares	-	-	66,563	66,563
Foreign unlisted shares	-	-	41,475	41,475
	$ 1,471,188	$ 66,240	$ 108,038	$ 1,645,466

December 31, 2017

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Securities listed in the ROC				
Equity securities	$ -	$ 59,000	$ -	$ 59,000
Financial liabilities at fair value through profit or loss				
Foreign exchange forward contracts	$ -	$ 5,742	$ -	$ 5,742

There were no transfers between Level 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2018

	Financial Assets at Fair Value Through Other Comprehensive Income Equity Instruments
Financial assets	
Balance at January 1, 2018 per IAS 39	$ -
Adjustment on initial application of IFRS 9	22,440
Balance at January 1, 2018 per IFRS 9	22,440
Acquisitions through business combinations	42,738
Purchases	59,086
Recognized in profit or loss - unrealized	(16,226)
Balance at December 31, 2018	$ 108,038

For the year ended December 31, 2017

	Financial Assets at Fair Value through Profit or Loss Redemption and

	Conversion Options
Financial liabilities	
Balance at January 1, 2017	$ 387
Recognized in profit or loss	
Unrealized	(387)
Balance at December 31, 2017	$ -

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

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

4) Valuation techniques and inputs applied for the purpose of Level 3 fair value measurement

a) Domestic and foreign unlisted shares

The fair values of domestic and foreign unlisted shares are mainly determined by the asset approach and the market approach.

A market approach is a method of determining the appraisal value of assets or liabilities, based on the selling price of similar items. The Black-Scholes model was used to determine the fair value of domestic and foreign unlisted shares, and the most significant unobservable inputs were price multiplier and volatility. An increase in the price multiplier used in isolation would result in an increase in the fair value of these equity instruments. An increase in the volatility used in isolation would result in a decrease in the fair value of these equity instruments. As of December 31, 2018, the price multiplier and volatility used to determine the fair value of domestic unlisted shares were 1.4100 and 30.00%, respectively, while the price multiplier and volatility used to determine the fair value of foreign unlisted shares were 1.3100 and 35.06%, respectively.

Sensitivity analysis

The Corporation's sensitivity analysis evaluated that the fair values of financial instruments were reasonable, except for the impact of possible changes in the evaluation model or evaluation parameters which may cause different outputs in the result of the evaluation. For financial instruments defined as Level 3 inputs, the impacts of possible changes in the evaluation method on profit or loss and other comprehensive income or loss in the current period are as follows:

	Input	Increase (+)/ Decrease (-)	Profit or Loss Changes Arising From Fair Value Movements	OCI Changes Arising From Fair Value Movements
For the year ended December 31, 2018				
Financial assets at fair value through other comprehensive income				
Domestic unlisted shares	1.4100	+5.0%	-	$ 2,236
	1.4100	-5.0%	-	(2,236)
	30.00%	+1.0%	-	(647)
	30.00%	-1.0%	-	647
Foreign unlisted shares	1.3100	+5.0%	-	967
	1.3100	-5.0%	-	(967)
	35.06%	+1.0%	-	(346)
	35.06%	-1.0%	-	349
				$ 3

b) Conversion and redemption options

The fair values of redemption and conversion options are determined using the binomial tree valuation model where the significant unobservable input is historical volatility. An increase in the historical volatility used in isolation would result in an increase in the fair value. As of December 31, 2018 and 2017, the historical volatility used was 42.75% and 27.08%, respectively.

c. Categories of financial instruments

	December 31	
	2018	2017
Financial assets		
Loans and receivables (Note 1)	$ -	$ 12,059,095
Available-for-sale financial assets (Note 2)	-	82,849
Financial assets at amortized cost (Note 3)	17,516,717	-
Financial assets at FVTOCI		
Equity instruments	1,645,466	-
Financial liabilities		
Fair value through profit or loss (FVTPL)		
Held for trading	-	5,742
Measured at amortized cost (Note 4)	20,902,698	14,967,707

Note 1: The loans and receivables included cash and cash equivalents, net notes and accounts receivable, accounts receivable-related parties, pledged time deposits, restricted deposits, refundable deposits, other receivables, etc. and were carried at amortized cost.

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

Note 3: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable, accounts receivable from related parties, pledged time deposits, restricted deposits, refundable deposits and other receivables, etc. and were carried at amortized cost.

Note 4: The financial liabilities included short-term loans, short-term bills payable, notes and accounts payable, accounts payable - related parties, payables to contractors and equipment suppliers, accrued expense, long-term loans, bonds payable, 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 non-derivative 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 organization 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, cross-currency swap contracts, etc. to manage exposures due to exchange rate and interest rate fluctuations. These instruments help 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 USD, EUR 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. A positive number below indicates an increase in profit and other equity associated with the New Taiwan dollar's strengthening 5% against a foreign currency. For a 5% weakening of the New Taiwan dollar against a foreign currency, there would be an equal and opposite impact on profit and other equity and the balances below would be negative.

	USD Impact For the Year Ended December 31		EUR Impact For the Year Ended December 31		JPY Impact For the Year Ended December 31	
	2018	2017	2018	2017	2018	2017
(Loss) or profit	$ 1,405	$ (53,163)	$ 8,632	$ 18,542	$ (294)	$ (453)

The Corporation's sensitivity to USD exchange rates decreased in the current period mainly because of the increase in assets recorded in USD. The Corporation's sensitivity to EUR exchange rates decreased in the current period mainly because of the decreased in assets recorded in EUR. The Corporation's sensitivity to JPY exchange rates decreased in the current period mainly because of the increased 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:

	December 31	
	2018	2017
Fair value interest rate risk		
Financial assets	$ 1,425,867	$ 928,768
Financial liabilities	(8,177,642)	(9,041,388)
Cash flow interest rate risk		
Financial assets	10,572,722	4,664,784
Financial liabilities	(9,972,044)	(4,486,799)

Sensitivity analysis

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

If interest rates had been 1% higher and all other variables were held constant, the Corporation’s net profit for 2018 and 2017 would increase by $6,007 thousand and $1,780 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 increased 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 financial asset at FVTOCI 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.

If equity prices had been 5% lower, other comprehensive income for 2018 would decrease by $82,273 thousand as a result of the changes in the fair value of financial assets at FVTOCI.

If equity prices had been 5% lower, other comprehensive income for 2017 would decrease by $2,950 thousand, as a result of the changes in fair value of impaired AFS investments.

The Corporation’s sensitivity to price increase in the current period mainly because of the increase in financial assets at FVTOCI.

2) Credit risk

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

a) The carrying amounts of the 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 established 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 account receivable at the end of the reporting period to ensure that adequate allowances are 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 pertains to a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of the account receivables 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 with similar characteristics.

The Corporation's concentration of credit risk was 32% and 25% in total accounts receivable as of December 31, 2018 and 2017, respectively, which was 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 risk rate tables for non-derivative financial liabilities

The following tables show the Corporation's remaining contractual maturity for its non-derivative financial liabilities with agreed-upon repayment periods. The tables were 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 tables below regardless of the probability of the banks choosing to exercise their rights to repayment. The maturity dates for other non-derivative 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.

December 31, 2018

	On Demand or Up to 1 Month	**Over 1 Month-3 Months**	**Over 3 Months to 1 Year**	**1+ Years**
Non-derivative financial liabilities				
Non-interest bearing	$ 1,878,452	$ 682,302	$ 253,645	$ 58,497
Variable interest rate liabilities	80,526	1,215,241	3,001,342	6,051,742
Fixed interest rate liabilities	713,452	2,465,312	4,516,195	522,915
	$ 2,672,430	$ 4,362,855	$ 7,771,182	$ 6,633,154

December 31, 2017

	On Demand or Up to 1 Month	**Over 1 Month-3 Months**	**Over 3 Months to 1 Year**	**1+ Years**
Non-derivative financial liabilities				
Non-interest bearing	$ 607,451	$ 525,879	$ 147,776	$ 514,967
Variable interest rate liabilities	32,551	254,726	3,118,904	1,207,356
Fixed interest rate liabilities	1,483,959	2,556,057	1,342,655	3,508,663
	$ 2,123,961	$ 3,336,662	$ 4,609,335	$ 5,230,986

As of December 31, 2018 and 2017, the Corporation believes there was no bank loan on which immediate repayment will be demanded.

The amounts included above for variable interest rate instruments for non-derivative 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 risk rate 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.

December 31, 2017

	On Demand or Up to 1 Month	Over 1 Month-3 Months	Over 3 Months to 1 Year	1+ Years
Net settled				
Foreign exchange forward contracts	$ 162	$ 5,580	$ -	$ -

35. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Corporation and its subsidiaries (the Corporation'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. Related parties and their relationship with the Corporation

Related Party	Relationship with the Corporation
Delta Electronics Inc.	Investors with significant influence on certain group entities (Note 1)
Zhongyang	Subsidiary (Note 2)
Ever Lite Power Inc. (Ever Lite)	Subsidiary (Note 3)
GES	Subsidiary
Apex	Subsidiary (Note 2)
Solartech JP	Subsidiary (Note 2)
SMC	Subsidiary (Note 2)
Hsin Jin Optoelectronics (Hsin Jin Optoelectronics)	Subsidiary
Utech	Subsidiary (Note 2)
BPS	Subsidiary
Prime Energy	Subsidiary
Huiyang	Subsidiary (Note 2)
NSP System	Subsidiary
Neo Solar Power (Nanchang) Ltd. (NSP Nanchang)	Subsidiary
Hsin Jin Solar Energy Co., Ltd. (Hsin Jin Solar Energy)	Subsidiary
New Ray Investment	Subsidiary
Si Two Corp. (Si Two)	Subsidiary
Beryl Construction LLC (Beryl)	Subsidiary
Clean Focus Renewables Inc. (CFR)	Subsidiary
DelSolar Cayman	Subsidiary
DelSolar US Holdings (Delaware) Corporation (DelSolar US)	Subsidiary
GDL Bryncrynau Ltd. (Bryncrynau)	Subsidiary (Note 10)
GDL Upper Meadowley Ltd. (Meadowley)	Subsidiary (Note 10)
GES ME	Subsidiary
General Energy Solutions UK Limited (GES UK)	Subsidiary
Gintech (Thailand) Limited (Gintech Thailand)	Subsidiary (Note 2)
Neo Solar Power Vietnam Co., Ltd. (NSP Vietnam)	Subsidiary
NSP Germany GmbH (NSP Germany)	Subsidiary
NSP Indygen UK Ltd. (NSP Indygen)	Subsidiary
NSP SYSTEM NEVADA HOLDING CORP. (NSP NEVADA)	Subsidiary
NSP UK	Subsidiary
UKEG POTTERS BAR LIMITED (POTTERS BAR)	Subsidiary (Note 10)
TTMC	Other related parties
Taiwan Speciality Chemicals Corporation	Other related parties (Note 4)
SAS	Other related parties (Note 4)
Delta Electronics (Americas) Ltd.	Other related parties (Note 5)
Delta Electronics (Japan), Inc.	Other related parties (Note 5)
Delta Electronics (Switzerland) AG	Other related parties (Note 5)
Delta Greentech Ltd.-Turkey	Other related parties (Note 5)
Si One Corp. (Si One)	Associates (Note 6)
Da Li Energy Co., Ltd. (Da Li Energy)	Associates (Note 6)
Sunshine PV	Associates (Note 2)
Neo Cathay Electric Power Corp. (Neo Cathay Electric)	Associates (Note 6)
Neo Cathay	Associates
JSP	Associates
V5 Technology	Associates (Note 7)
Gintung Energy	Associates (Note 2)

(Continued)

Related Party	Relationship with the Corporation
Yong Han Ltd. (“Yong Han”)	Associates (Note 8)
Yun Yeh Ltd. (“Yun Yeh”)	Associates (Note 8)
Clean Focus Corporation (CFC)	Associates (Note 9)
CFY	Associates (Note 9)

(Concluded)

Note 1: On October 15, 2018, Delta Company originally held 6.64% of the equity of the Corporation. After the election of the directors of the Corporation on November 20, 2018, the directors representing Delta Company resigned from the board of directors of the Corporation and did not meet the definition of related parties. Therefore, only the outstanding amount as of December 31, 2018 and transactions from January 1, 2018 to November 20, 2018 were disclosed as related party transactions.

Note 2: The acquisition of subsidiaries and associates are due to absorption merging the two corporations, Gintech Energy and Solartech Energy on October 1, 2018.

Note 3: The subsidiaries were GES’s subsidiaries.

Note 4: After the date of merger, October 1, 2018, the Corporation and the directors of the Corporation became the shareholders of SAS and TSCC and became their directors. SAS and TSCC meet the definition of other related parties. Therefore, the outstanding amounts and transactions after October 31, 2018 were disclosed as related party transactions.

Note 5: After the election of the directors of the Corporation on November 20, 2018, directors representing Delta Company resigned from the board of directors of the Corporation. The subsidiaries of Delta Company, Delta Electronics (Americas) Ltd., Delta Electronics (Japan), Inc., Delta Electronics (Switzerland) AG and Delta Greentech Ltd.-Turkey did not meet the definition of related parties. Therefore, only the outstanding amount as of December 31, 2018 and transactions from January 1, 2018 to November 20, 2018 were disclosed as related party transactions.

Note 6: The associates were Neo Cathay’s subsidiaries.

Note 7: V5 Technology had become an associate of the Corporation since August 14, 2017 because the Corporation did not acquire any shares issued for cash of V5 Technology; thus, the Corporation disclosed the trading transactions only from August 14, 2017 and the balances as of December 31, 2018 and 2017.

Note 8: Yong Han and Yun Yeh had become subsidiaries of Neo Cathay since March 30, 2018 and were deemed associates; thus, the Corporation disclosed the trading transactions from March 30, 2018 and the balances as of March 30, 2018.

Note 9: CFY is NSP BVI’s associate. CFC is CFY’s subsidiary.

Note 10: Non-subsidiaries after disposal in October 2018.

b. Sales of goods

	For the Year Ended December 31	
	2018	2017
Associates	$ 432,568	$ 133,132
Subsidiaries	328,952	845,767
Other related parties	50,677	54,081
Investors with significant influence	78	5
	$ 812,275	$ 1,032,985

c. Other income

	For the Year Ended December 31	
	2018	2017
Subsidiaries		
GES UK	$ 18,104	$ 1,753
NSP System	13,228	28
Others	4,366	965
Associates	14,568	377
Other related parties	79	138
	$ 50,345	$ 3,261

d. Dividend income

	For the Year Ended December 31	
	2018	2017
Other related parties		
TTMC	$ 2,000	$ 2,400

e. Interest revenue

	For the Year Ended December 31	
	2018	2017
Associates		
CFY	$ 13,969	$ 16,971
Others	750	-
Subsidiaries		
GES UK	10,044	29,909
Others	483	-
	$ 25,246	$ 46,880

The Corporation’s interest revenue was composed of interest income from financings provided to associates.

f. Purchases of goods

	For the Year Ended December 31	
	2018	2017
Subsidiaries	$ 425,103	$ 101,227
Investors with significant influence	484	470
Other related parties	113	-
	$ 425,700	$ 101,697

g. Other expenses

	For the Year Ended December 31	
	2018	2017
Subsidiaries	$ 9,430	$ 7,733
Associates	1,194	12
Investors with significant influence	652	15,736
Other related parties	-	1,126
	$ 11,276	$ 24,607

h. Accounts receivable

	December 31	
	2018	2017
Subsidiaries		
Gintech (Thailand)	$ 258,237	$ -
NSP System	95,436	42,196
Zhongyang	64,870	-
BPS	5,892	14,207
Beryl	-	33,907
GES	-	24,754
Others	-	25,567
Associates		
CFC	118,079	94,861
Others	31,627	-
Other related parties	-	7,401
Investors with significant influence	-	5
Less: Allowance for impairment loss - Associates	(21,986)	-
	$ 552,155	$ 242,898

i. Other receivables from related parties

	December 31 2018	December 31 2017
Subsidiaries		
DelSolar US	$ 993,716	$ 1,038,741
NSP NEVADA	578,952	879,682
GES ME	571,235	389,403
GES	465,402	380,114
GES UK	-	1,054,803
Others	210,065	985,393
Associates	141,562	363,036
Other related parties	2,531	-
Less: Allowance for impairment loss - Associates	(8,400)	-
	$ 2,955,063	$ 5,091,172

Other receivables were temporary payments of project fees that the Corporation paid for its subsidiaries and associates and overdue accounts receivable. Temporary payments were temporary payments of investments and organization costs that the Corporation paid for its subsidiaries. Refer to Note 39 for information relating to financing between the Corporation and its related parties. The aging of overdue accounts receivable was as follows:

December 31, 2018

Related Party Category/Name	**Up to 60 days**	**61-90 days**	**91-120 days**	**More than 120 days**
Subsidiaries				
GES	$ -	$ -	$ 6,486	$ 409,772
Beryl	-	-	-	46,509
NSP NEVADA	-	-	-	34,280
Gintech (Thailand)	-	-	3,472	50
	$ -	$ -	$ 9,958	$ 490,611

December 31, 2017

Related Party Category/Name	**Up to 60 days**	**61-90 days**	**91-120 days**	**More than 120 days**
Subsidiaries				
GES	$ -	$ -	$ -	$ 315,938
NSP Indygen	-	-	-	70,395
POTTERS BAR	-	-	-	70,116
BELPER	-	-	-	70,012
CLAY CROSS	-	-	-	67,394
Bryncrynau	-	-	-	64,303
Meadowley	-	-	-	63,033
NSP NEVADA	-	-	-	13,228
Beryl	-	-	12,269	-
	$ -	$ -	$ 12,269	$ 734,419

The outstanding receivables from related parties were unsecured; no impairment allowance for these receivables was recognized in 2018 and 2017.

j. Payments in advance

	December 31	
	2018	**2017**
Other related parties		
SAS	$ 1,118,451	$ -
Subsidiaries	150,967	54,835
	$ 1,269,418	$ 54,835

k. Refundable deposits

	December 31	
	2018	**2017**
Subsidiaries	$ 3,137	$ 1,699

l. Accounts payable

	December 31	
	2018	**2017**
Subsidiaries		
Gintech (Thailand)	$ 203,003	$ -
NSP Nanchang	-	24,617
Others	217	-
Other related parties	68	-
Investors with significant influence	-	212
	$ 203,288	$ 24,829

m. Contract liabilities

	December 31	
Related Party Category	**2018**	**2017**
Subsidiaries		
Zhongyang	$ 28,396	$ -
Other related parties	1,195	-
Associates	154	-
	$ 29,745	$ -

n. Receipts in advance

	December 31	
	2018	**2017**
Subsidiaries	$ -	$ 8,338

Other related parties	-	3,493
	$ -	$ 11,831

o. Payables to contractors and equipment suppliers

	December 31	
	2018	2017
Investors with significant influence		
Delta Electronics Inc.	$ 12,936	$ 16,857
Associates	-	1,700
	$ 12,936	$ 18,557

p. Other accrued expenses

	December 31	
	2018	2017
Subsidiaries	$ 9,002	$ 1,997
Other related parties	2,973	8,661
Investors with significant influence	193	711
Associates	11	600
	$ 12,179	$ 11,969

Other accrued expenses were expenses and construction fee temporarily paid by related parties for the Corporation.

The outstanding trade payables from related parties were unsecured. No guarantees had been given or received for payables to related parties, and these payables would be settled in cash.

q. Acquisitions of property, plant and equipment

	For the Year Ended December 31	
	2018	2017
Investors with significant influence		
Delta Electronics Inc.	$ 26,830	$ 53,465
Subsidiaries	-	1,700
	$ 26,830	$ 55,165

r. Acquisitions of Financial assets

	December 31	
Related Party Category	**2018**	**2017**
Subsidiaries		
Prime Energy	$ 59,085	$ -

The Corporation paid $15,473 thousand and $1,678,884 thousand in cash to acquire additional new shares of its subsidiaries and association in 2018 and 2017, respectively. Refer to Note 39 for information about financing, endorsements and guarantees provided to related parties.

s. Compensation of key management personnel

The compensation of directors and other members of key management personnel for 2018 and 2017 was as follows:

	For the Year Ended December 31	
	2018	2017
Short-term benefits	$ 59,574	$ 46,918
Share-based payments	7,721	3,228
Post-employment benefits	979	812
	$ 68,274	$ 50,958

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

36. PLEDGED OR MORTGAGED ASSETS

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

	December 31	
	2018	2017
Property, plant and equipment	$ 11,908,305	$ 5,638,149
Restricted assets (classified as other current and non-current assets)	3,465,720	2,221,415
Financial assets at fair value through other comprehensive income	1,337,855	-
Refundable deposits	794,359	585,491
Investments accounted for using the equity method	616,896	-
Pledged time deposits (classified as other current assets)	526,523	209,277
	$ 18,649,658	$ 8,654,332

37. SIGNIFICANT CONTINGENT LIABILITIES AND 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) The Corporation entered into long-term material supply agreements with multiple suppliers of raw material for silicon chip; the longest contract duration can be effective until December 31, 2022. The Corporation has to make advance payments as amounts of guarantee and such suppliers shall meet the supply of materials in accordance with contract terms. For the year ended December 31, 2018 and 2017, after the contract assessment, the Corporation had recognized impairment loss of $487,558 thousand and $575,580 thousand on prepayment and purchasing agreement, respectively due to continuously recording losses and facing deterioration in economic and financial conditions by certain suppliers. The Corporation recognized a reversal of the impairment loss of $78,924 thousand and purchasing agreement losses for $398,581 thousand for the year ended December 31, 2018. The Corporation recognized prepayments of USD57,944 thousand (approximately NT$1,813,309 thousand), EUR 8,636 thousand (approximately NT$397,190 thousand) shown in the balance sheet as of December 31, 2018.

2) Unused letters of credit amounted to approximately USD 3,649 thousand as of December 31, 2018.

b. Contingencies

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

The Corporation filed an appeal with Wujiang District 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. Wujiang District 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 an expected repayment of RMB48,230 thousand and CEEG (Nanjing) assumed joint liability.

CD Group did not make payments according to the terms of the above payment schedule; hence, the Corporation has entrusted a law firm to apply for a compulsory enforcement of the award. The Corporation recognized all above mentioned account receivables as a loss. After reaching an agreement on April 12, 2018, CEEG (Shanghai) had repaid its RMB918 thousand debt to the Corporation with 2,394 pieces of solar cell assemblies. DelSolar Wu Jiang received a total of RMB20,537 thousand through cash appropriated by the enforcement of the court and cash payments received from CEEG (Shanghai) as of March 18, 2019. CEEG (Shanghai) has repaid a debt to DelSolar Wu Jian with solar cells assemblies for 3,148 thousand as of March 18, 2019; CEEG (Shanghai) will continuously to repay the outstanding amount on the basis of RMB300 thousand per month to DelSolar Wu Jiang.

In addition, the controversy associated with payment for goods between the Corporation and CEEG's (Shanghai): In August 2016, the Corporation has entrusted a law firm to go to arbitration for the overdue payment of CD Group's CEEG (Shanghai) in the China International Economic and Trade Arbitration Commission (CIETAC). The Corporation requested payment of USD1,255 thousand. The Corporation prevailed in the proceeding on December 23, 2016, and CEEG (Shanghai) has to pay USD1,254 thousand in overdue payments and USD25 thousand in overdue penalties to the Corporation. The Corporation has applied to the court for a compulsory enforcement of the award.

2) In the controversy of whether to continuously perform the supply agreement, company K requested the help of Hsin-chu district court on January 13, 2016 to demand payment of $10,000 thousand in partial claims. The company K requested to increase the payment to $500,000 thousand in August 2016. The Corporation has filed a counterclaim against the company K to Hsin-chu district court on March 21, 2017 to reimburse prepayment and to demand payment of $20,000 thousand in partial claims.

   On October 13, 2017, the Hsin-chu district court ruled that the Corporation should pay company K $500,000 thousand and accrued interest payable at 5% per annum beginning from December 31, 2015. Simultaneously, Hsin-chu district court dismissed the Corporation's request for return of advance payment against supplier K. In the first court session, the Corporation considered the result of verdict as having a lot of violations; thus, the Corporation has engaged an attorney to lodge an appeal to safeguard the legitimate rights of the Corporation. Based on conservatism concept, the Corporation accrued a potential loss and necessary adjustment will be made depending on the ruling.

3) In March 2015, the Corporation 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. the Corporation believed that there were unsolved issues on the long-term materials supply agreement which will need further clarification from both parties. Therefore, the Corporation engaged an attorney to assist on the process.

   AH, the raw material supplier, requested that the Corporation pay the remaining unpaid amount of EUR36,089 thousand for the incomplete work under the outstanding WAFER procurement contract from 2009 to 2012, which was signed between the supplier and the Corporation before the acquisition of DelSolar. AH also requested that the Corporation pay additional interest and other expenses for delaying the performance obligation. AH, the supplier, recorded the above issue and communicated it with the arbitration tribunal. Furthermore, during the period from 2013 to 2015 (after the acquisition of DelSolar), the remaining unpaid amount of EUR68,372 thousand should be paid by the Corporation with additional interest and other expenses to AH, the supplier, under the WAFER procurement contract. However, the material supplier has not yet presented any probable or reliably measurable obligations to the Corporation. the Corporation received the result of arbitration in November 2017, the tribunal ruled that the Corporation should comply with the conditions of the purchase agreement. However, in consideration of the transaction price of wafer each year, significant reduction of the agreed price is necessary. The tribunal adjudicated that EUR28,160 thousand should be paid by the Corporation with additional interest to AH and AH should grant 22,908 thousand pieces of wafers to the Corporation. Having made a preliminary assessment, the Corporation evaluated the impact of the arbitration was immaterial. On May 31, 2013, the acquisition date of DelSolar, the Corporation has provided reserves USD15,454 and accrued a probable losses and interest expense with the result of the arbitration. In order to meet the result settled by the arbitration, the Corporation and AH make the payments and delivery of silicon wafers in accordance with the agreement. The Corporation has paid the principal of EUR27,500 thousand and interest payable of EUR1,175 thousand to the supplier AH in 2018. There will not be any other rights and obligations of delivering silicon wafers on both parties. As of December 31, 2018, the Corporation has recognized additional losses on purchasing contracts for 398,581 thousand and made a reversal of compensation for interests for 239,274 thousand.

4) Company CE has requested an arbitration on 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 the issuance of an order for attachment and an order for transfer of the Corporation's debentures of payments of goods. the Corporation's made a statement that

the Corporation continuously disagreed with the demand of company CE since February 2016; therefore, company CE advocated that the Corporation should pay a total of $60,480 thousand and an accrued interest payable at 5% per annum. In August 2017, the Hsin-chu district court ruled that the Corporation should pay CE company $60,480 thousand and accrued interest payable 5% per annum. As company CE has applied for the implementation of debt restructuring in mainland China with its third party vendor company G, and the Corporation instructed legal counsels to subsequently answer the charges. The Corporation considered the result of the verdict as having a lot of violation, and has engaged an attorney to lodge an appeal. The case is currently before the Taiwan High Court. The Corporation has accrued a probable losses and will adjust any amount base on the result of such verdict, if necessary.

5) The Corporation entered into a gas distribution agreement with EQ company on May 1, 2011. The agreement stated that EQ company would provide nitrogen, pure oxygen and other gases to GEC factories located at the Hsin-chu Industrial Science Park in Zhu-nan, Miaoli. After the business combination between the Corporation and GEC, the Corporation undertook all the rights, obligations and liabilities of the above mentioned agreement. The Corporation terminated the contract earlier in accordance with the section 7.5 of the agreement due to the factories in Zhu-nan was closed permanently on October 31, 2016. Under the section 7.5 of the agreement about the calculation and amount of early termination, EQ company continuously requested an unreasonable price and thus, no consensus has been reached between the two delegations through ongoing negotiation. EQ company has filed an application for arbitration to request a payment of NTD 60,900 thousand with an annual interest of 5%. The Corporation has instructed counsel to respond the unreasonable request.

6) Company CE requested an arbitration on 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 the ROC courts. With respect to the enforcement of such arbitral awards, company CE requested the issuance of an order to obtain the right of withholding payments of goods from Gintech; the company Gintech stated that there was no existing creditor’s right as the company received the order to withhold. As a result, CE has filed an application for arbitration to ensure the existing creditor’s right of NTD 5,000 thousand on March 14, 2016. Additionally, CE has filed another application to expand the request to further ensure the existing creditor’s right of NTD 10,000 thousand. CE company has instructed counsel to respond the request from Gintech.

38. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Corporation’s significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

	December 31			
	2018		2017	
	Foreign Currencies (In Thousands)	Exchange Rate	Foreign Currencies (In Thousands)	Exchange Rate
Financial assets				
Monetary assets				
USD	$ 218,705	30.7400	$ 206,434	29.8480
EUR	14,999	35.2200	18,675	35.4860
JPY	23,475	0.2781	44	0.2634
RMB	33,216	4.4760	30	4.5551
GBP	2,038	38.9500	13,781	40.0205
Nonmonetary assets				
USD	176,599	30.7910	126,009	29.8480
USD	805	28.9978	42	29.9100
EUR	600	32.2300	600	37.6500
GBP	3,676	38.9500	3,022	40.0205
MYR	52,054	7.1190	-	-
Financial liabilities				
Monetary liabilities				
USD	217,791	30.7400	242,057	29.8480
EUR	10,097	35.2200	8,224	35.4860
JPY	44,610	0.2781	34,500	0.2634
RMB	485	4.4760	6,749	4.5551
GBP	23	38.9500	2	40.0205

For the years ended December 31, 2018 and 2017, realized and unrealized net foreign exchange gains (losses) were $(46,059) thousand and $69,625 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 Corporation.

39. SEPARATELY DISCLOSED ITEMS

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

a. Financings provided to others: Table 1 (attached)

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

c. Marketable securities held (not including investments in 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: None

j. 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 8 (attached)

TABLE 1

UNITED RENEWABLE ENERGY CO., LTD.
(FORMERLY NEO SOLAR POWER CORP.)

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
0	The Corporation	GES UK	Other receivables from related party	YES	USD 35,000 $ 1,109,500	$ -	$ -	2.80	2	$ -	Operating capital	$ -	-	$ -	$ 2,490,701 (Note 2, 3, 4 and 5)	$ 4,981,402	Note 2 and 6
		CFY	Other receivables from related party	YES	USD 30,000 $ 915,090	USD 3,500 $ 106,929	USD 3,500 $ 106,929	5.00	2	-	Operating capital	-	-	-	2,490,701 (Note 2, 3, 4 and 5)	4,981,402	Note 2 and 6
		Apex	Other receivables from related party	YES	$ 550,000	$ 300,000	$ 24,000	3.00	2	-	Operating capital	-	-	-	2,490,701 (Note 2, 3 and 4)	4,981,402	Note 2
		Zhongyang	Other receivables from related party	YES	500,000	200,000	-	3.00	2	-	Operating capital	-	-	-	2,490,701 (Note 2, 3 and 4)	4,981,402	Note 2
		Sunshine PV	Other receivables from related party	YES	200,000	200,000	200,000	1.608	2	-	Operating capital	200,000	-	-	2,490,701 (Note 2, 3 and 4)	4,981,402	Note 2
		Huiyang	Other receivables from related party	YES	150,000	130,000	-	3.00	2	-	Operating capital	-	-	-	2,490,701 (Note 2, 3 and 4)	4,981,402	Note 2
		Fukushima Plant 1	Other receivables from related party	Note 6	JPY 70,000 $ 18,991	-	-	-	2	-	Operating capital	-	-	-	2,490,701 (Note 2, 3 and 4)	4,981,402	Note 2 and 6

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

Note 2: The financing company’s total financing amount for one borrower should not exceed 40% of the financing company’s net asset value.

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 borrower within one year and should not exceed the highest amount of purchases or sales.

Note 4: The total amount of financing for short-term financing needs should not exceed 20% of net asset value and the financing to a borrower should not exceed 10% of net asset value.

Note 5: Overseas subsidiaries wholly-owned directly or indirectly 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.

Note 6: Solartech Energy has disposed of the shares of Fukushima Plant 1 in January 2018 and it became a non-related party on the reporting date.

Note 7: The exchange rate is depending on the decision of the board of directors, agreed with financing.

TABLE 2

UNITED RENEWABLE ENERGY CO., LTD.
(FORMERLY NEO SOLAR POWER CORP.)

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	The Corporation	GES	Subsidiary	$ 4,981,402	$ 1,653,000	$ 1,653,000	$ 1,092,961	-	6.64	$ 12,453,506	YES	-	-
		Zhongyang	Subsidiary	4,981,402	1,380,000	770,000	752,294	-	3.09	12,453,506	YES	-	-
		ECOVE solar energy corporation	Note 1	4,981,402	719,110	-	-	-	-	12,453,506	YES	-	-
		Gintech (Thailand)	Subsidiary	4,981,402	623,825	623,825	397,103	-	2.50	12,453,506	YES	-	-
		NSP System	Subsidiary	4,981,402	500,000	500,000	163,200	-	2.01	12,453,506	YES	-	-
		NSP UK	Subsidiary	4,981,402	367,956	-	-	-	-	12,453,506	YES	-	-
		NSP Indygen	Subsidiary	4,981,402	364,500	364,500	364,500	-	1.46	12,453,506	YES	-	-
		CFR	Subsidiary	4,981,402	310,000	305,510	305,510	-	1.23	12,453,506	YES	-	-
		GES UK	Subsidiary	4,981,402	310,000	305,510	305,510	-	1.23	12,453,506	YES	-	-
		Apex	Subsidiary	4,981,402	263,000	263,000	261,000	-	1.06	12,453,506	YES	-	-
		Solar Japan	Subsidiary	4,981,402	146,489	-	-	-	-	12,453,506	YES	-	-
		Fukushima Plant 1	Note 2	4,981,402	145,417	-	-	-	-	12,453,506	YES	-	-

Note 1: Gintech Energy has disposed of the share of ECOVE solar energy corporation September, 2018, so it is non related party on the reporting date.

Note 2: Solartech Energy has disposed of the shares of Fukushima Plant 1 in January 2018 and it became a non-related party on the reporting date.

Note 3: In accordance with the “Rules of Guarantees by the Corporation,” the ceiling for the total guaranteed amount was 50% of the Corporation’s net asset value, and the limit on the guaranteed amount for a single party was 20% of the Corporation’s net asset value. But for business purposes, the limit of the guaranteed amount was the total of the purchases from or sales to the Corporation within the most recent year.

TABLE 3

UNITED RENEWABLE ENERGY CO., LTD.
(FORMERLY NEO SOLAR POWER CORP.)

MARKETABLE SECURITIES HELD
DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2018				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Corporation	Shares							
	CTCI	Investee	Financial assets at fair value through other comprehensive income- current	3,003	$ 133,333	0.39	$ 133,333	-
	SAS	Investee	Financial assets at fair value through other comprehensive income- non-current	21,860	1,337,855	3.73	1,337,855	Note 1
	TTMC	Investee	Financial assets at fair value through other comprehensive income- non-current	4,000	66,240	5.44	66,240	Notes 2 and 3
	EXOJET	Investee	Financial assets at fair value through other comprehensive income- non-current	5,885	45,962	12.06	45,962	-
	TSCC	Investee	Financial assets at fair value through other comprehensive income- non-current	1,691	18,601	0.58	18,601	-
	NTNU	Investee	Financial assets at fair value through other comprehensive income- non-current	200	2,000	2.60	2,000	-
	ASIA GLOBAL VENTURE CAPITAL II CO., LTD.	Investee	Financial assets at fair value through other comprehensive income- non-current	1,000	22,137	10.00	22,137	-
	SUN APPENNINO CORPORATION	Investee	Financial assets at fair value through other comprehensive income- non-current	-	19,338	26.09	19,338	-
	FICUS CAPITAL CORPORATION	Investee	Financial assets at fair value through other comprehensive income- non-current	-	-	28.07	-	-

Note 1: The asset has been pledged as collaterals for long-term bank loans and financing facilities. For the details refer to Note 36.

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

Note 3: TTMC’s shares held by the Corporation and New Ray Investment through private equity placement were restricted under Article 43-8 of the Securities and Exchange Act.

Note 4: The above marketable securities had not been pledged or mortgaged as of December 31, 2018.

TABLE 4

UNITED RENEWABLE ENERGY CO., LTD.
(FORMERLY NEO SOLAR POWER CORP.)

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Corporation	GES	Subsidiary	Sale	$ 130,258	1.26	60 days from the invoice date	$ -	-	$ -	-	-
	NSP System	Subsidiary	Sale	127,546	1.24	60 days from the invoice date	-	-	95,436	3.21	-
	CFC	Associate	Sale	233,984	2.27	60 days from the invoice date	-	-	118,079	4.09	-
	JSP	Associate	Sale	198,580	1.93	60 days from the invoice date	-	-	31,643	1.10	-

Note 1: The amounts were based on total notes or accounts receivable (payable) or total purchase (sale) amounts of the buyer (seller).

TABLE 5

UNITED RENEWABLE ENERGY CO., LTD.
(FORMERLY NEO SOLAR POWER CORP.)

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Corporation	DelSolar US	Subsidiary	$ 993,716	-	$ -	Receivable according to the financial situation	$ -	$ -
	NSP NEVADA	Subsidiary	578,952	-	34,365	Receivable according to the financial situation	-	-
	GES ME	Subsidiary	571,235	-	-	Receivable according to the financial situation	-	-
	GES	Subsidiary	465,402	0.30	401,316	Receivable according to the financial situation	200	-
	Gintech (Thailand)	Subsidiary	264,429	-	163,387	Receivable according to the financial situation	302,974	-
	Sunshine PV	Associate	430,503	-	421,955	Receivable according to the financial situation	-	430,503
	CFY	Associate	133,141	-	114,412	Receivable according to the financial situation	-	-
	CFC	Associate	118,079	2.20	118,079	Receivable according to the financial situation	-	21,980

TABLE 6

UNITED RENEWABLE ENERGY CO., LTD.
(FORMERLY NEO SOLAR POWER CORP.)

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2018			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2018	December 31, 2017	Shares (Thousands)	% of Ownership	Carrying Value			
The Corporation	UES	Independent State of Somoa	Investment company	$ 1,910,636	$ Note 2	61,930	100.00	$ 1,863,226	$ (89,195)	$ (89,195)	-
	DelSolar Cayman	Cayman Islands	Investment company	4,597,639	4,582,166	145,126	100.00	1,775,871	(356,660)	(356,249)	-
	GES	Hsin-chu, Taiwan	Electronic component manufacturing and selling	3,070,777	3,070,777	191,200	100.00	1,533,985	(369,132)	(368,747)	-
	NSP BVI	British Virgin Islands	Investment company	1,426,179	1,426,179	45,001	100.00	1,407,681	53,546	53,546	Note 1
	GES ME	Dubai	Solar related business	418,805	418,805	4	100.00	368,249	3,379	3,379	-
	Apex	Hsin-chu, Taiwan	Solar related business	145,994	Note 2	48,500	100.00	157,341	7,756	7,756	-
	NSP System	Tainan, Taiwan	Solar related business	144,200	144,200	14,420	100.00	145,785	18,796	31,151	-
	NSP UK	London, UK	Investment company	138,967	138,967	3,580	100.00	143,188	26,242	26,242	-
	Prime Energy	Tainan, Taiwan	Electronic component manufacturing and selling	90,000	90,000	9,000	100.00	80,222	(151)	(151)	-
	New Ray Investment	Tainan, Taiwan	Investment company	115,000	115,000	11,500	100.00	64,262	1,314	1,314	-
	Solartech Japan	Japan	Solar related business	36,205	Note 2	2	100.00	34,333	(2,693)	(2,693)	-
	Zhongyang	Hsin-chu, Taiwan	Solar related business	24,121	Note 2	3,500	100.00	31,439	7,318	7,318	-
	Huiyang	Hsin-chu, Taiwan	Solar related business	30,427	Note 2	3,100	100.00	30,295	(132)	(132)	-
	DelSolar Singapore	Singapore	Investment company	29,743	29,743	1,250	100.00	18,692	47,981	3,917	-
	BPS	Tainan, Taiwan	Solar related business	6,000	6,000	600	60.00	14,880	8,135	5,285	-
	SMC	Hsin-chu, Taiwan	Solar related business	9,720	Note 2	1,000	100.00	9,658	(62)	(62)	-
	Utech	Miaoli, Taiwan	Electronic component manufacturing	57,169	Note 2	63,675	98.30	(134,504)	(186,513)	(172,974)	-
	True Honour Limited	Independent State of Somoa	Investment company	-	Note 2	-	-	-	47	47	Note 3
	Neo Cathay	Tainan, Taiwan	Investment company	600,000	600,000	60,000	40.00	616,896	44,306	17,723	-
	TSST	Malaysia	Solar related business	417,692	Note 2	97,701	42.12	254,093	(42,363)	(126,958)	Note 1
	V5 Technology	Hsin-chu, Taiwan	Electronic component manufacturing and selling	114,084	114,084	7,790	41.43	69,860	(2,714)	(2,542)	-
	Gintung	Taoyuan, Taiwan	Electronic component manufacturing	34,341	Note 2	13,460	36.38	44,424	27,717	10,083	-
	JSP	Taipei, Taiwan	Solar related business	10,500	10,500	1,050	35.00	7,533	(5,095)	(1,783)	-
	Sunshine PV	Hsin-chu, Taiwan	Solar related business	-	Note 2	13,281	19.47	-	(20,676)	-	Note 4
	Solar PV	Cayman Islands	Investment company	-	Note 2	30,500	19.92	-	(1,812)	-	Note 4

Note 1: Recognized on the basis of unaudited financial statements as December 31, 2018.

Note 2: The acquisition of subsidiaries is due to the absorption merging of two corporations, Gintech Energy and Solartech Energy on October 1, 2018.

Note 3: True Honour Limited was an investment company which was cancelled in October 2018 and returned the shares in December 2018.

Note 4: The Corporation had recognized impairment loss on equity investment in Sunshine PV and Solar PV, an associate, and so the Corporation did not recognize any share of profit or loss of the associate.

Note 5: For investments in Mainland China, refer to Table 7.

UNITED RENEWABLE ENERGY CO., LTD.
(FORMERLY NEO SOLAR POWER CORP.)

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2018	Remittance of Fund		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2018	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2018	Accumulated Repatriation of Investment Income as of December 31, 2018
					Outward	Inward						
DelSolar Wu Jiang	Solar related business	USD 120,000 $ 3,688,800	Indirect investments through the Corporation's 100% - owned subsidiary	USD 120,000 $ 3,688,800	$ -	$ -	USD 120,000 $ 3,688,800	USD (11,415) $ (344,463)	100	USD (11,415) $ (344,463) (Note 1)	USD 37,136 $ 1,141,551 (Note 1)	$ -
NSP Nanchang	Solar related business	USD 44,000 $ 1,352,560	Indirect investments through the Corporation's 100% - owned subsidiary	USD 5,000 $ 153,700	-	-	USD 5,000 $ 153,700	USD (15,983) $ (482,293)	100	USD (15,983) $ (482,293) (Note 1)	USD 9,724 $ 298,902 (Note 1)	-
JiangXi Solar PV Corp. (Note 2)	Solar related business	USD 18,450 $ 567,153	Indirect investments through the Corporation's 100% - owned subsidiary	USD 18,450 $ 567,153	-	-	USD 18,450 $ 567,153	USD (32) $ (966)	19.92	USD - $ -	USD - $ -	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2018	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
USD 143,450 $ 4,409,653	USD 161,032 (Note 3) $ 4,950,124	$ 14,944,207

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

Note 2: The acquisition of subsidiaries is due to the absorption merging of two corporations, Gintech Energy and Solartech Energy on October 1, 2018.

Note 3: On December 1, 2015, the Investment Commission, MOEA, authorized the investment of US$3,440 thousand in NSP (Jiangsu) Limited (tentative name) and, on August 31, 2016, authorized DelSolar HK's investment of US$8,000 thousand in NSP Nanchang, but the capital has not yet been invested as of December 31, 2018.

Note 4: The Corporation had recognized impairment loss on the equity investment in JiangXi Solar PV Corp., an associate, so that the Corporation did not recognize any share of profit or loss of associates.

Note 5: The exchange rate used is the rate on December 31, 2018.

TABLE 8

UNITED RENEWABLE ENERGY CO., LTD.
(FORMERLY NEO SOLAR POWER CORP.)

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
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
		Amount	%		Payment Term	Comparison with Normal Transaction	Ending Balance	%		
NSP Nanchang	Sales	$ 69	-	Specifically negotiated terms	Specifically negotiated terms	Specifically negotiated terms	$ -	-	$ -	-
	Other operating revenue	6,986	0.07	Specifically negotiated terms	Specifically negotiated terms	Specifically negotiated terms	-	-	-	-
	Purchase goods	66,279	1.01	Specifically negotiated terms	Specifically negotiated terms	Specifically negotiated terms	-	-	-	-

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

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

STATEMENT 1

UNITED RENEWABLE ENERGY CO., LTD.
(FORMERLY NEO SOLAR POWER CORP.)

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Description	Rate (%)	Amount
Demand deposits	Including NTD4,963,572 thousand, USD55,485 thousand @30.7400, EUR8,197 thousand @35.2200, JPY23,475 thousand @0.2781, RMB31,544 thousand @4.4760, and GBP36 thousand @38.9500		$ 7,107,002
Checking accounts			15,186
Cash on hand			651
Cash equivalents	Time deposits mature before the May 2019	0.130-1.015	104,985
Total			$ 7,227,824

UNITED RENEWABLE ENERGY CO., LTD.
(FORMERLY NEO SOLAR POWER CORP.)

STATEMENT OF NOTES AND ACCOUNTS RECEIVABLE
DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars)

Client Name	Amount
Third parties	
Client DP	$ 515,056
Client DQ	247,616
Client CL	194,570
Client CO	193,067
Client DR	169,913
Others (Note)	1,202,039
	2,522,261
Related parties	
Client DS	258,237
Client DD	118,079
Client CX	95,436
Client DT	64,870
Client DU	47,354
Client DV	31,643
Others (Note)	4,827
	620,446
Allowance for doubtful accounts	(608,416)
Total	$ 2,534,291

Note 1: The amount for each individual client included in others does not exceed 5% of the account balance.

Note 2: Allowance for doubtful accounts of $608,367 thousand was provided for overdue amounts.

STATEMENT 3

UNITED RENEWABLE ENERGY CO., LTD.
(FORMERLY NEO SOLAR POWER CORP.)

STATEMENT OF INVENTORIES
DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars)

Item	Amount - Cost	Amount - Net Realizable Value
Finished goods	$ 1,169,033	$ 1,200,848
Raw materials	521,647	590,073
Power facilities construction in process	129,540	129,540
Work in process	7,510	7,714
Total	$ 1,827,730	$ 1,928,175

Note: The insurance coverage amount for inventories was $2,015,699 thousand, which equals the carrying value of inventories.

UNITED RENEWABLE ENERGY CO., LTD.
(FORMERLY NEO SOLAR POWER CORP.)

STATEMENT OF PREPAYMENTS
DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars)

Item	Amount
Prepayments to suppliers - noncurrent	
Company J	$ 1,117,225
Company G	821,159
Company AD	119,432
Company X	111,383
Others (Note 1)	26,531
	2,195,730
Prepayments to suppliers - current	
Company DW	96,132
Company CP	54,835
Company DX	27,116
Company AD	18,200
Others (Note 1)	25,784
	222,067
Prepayments to contractors and equipment suppliers	200,486
Others (Note 2)	124,965
Total	$ 2,743,248

Note 1: The amount for each individual vender included in others does not exceed 5% of the account balance.

Note 2: The amount for each individual item included in others does not exceed 5% of total account balance.

UNITED RENEWABLE ENERGY CO., LTD.
(FORMERLY NEO SOLAR POWER CORP.)

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Balance, January 1, 2018		Deduction		Unrealized Profit (Loss) on Financial Assets	Balance, December 31, 2018			
Investees	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount	Amount	Shares (In Thousands)	Proportion of Ownership %	Amount	Remark
Domestic quoted shares									
CTCI	-	$ -	3,003	$ 149,249	$ (15,916)	3,003	0.39	$ 133,333	Note

Note : The financial assets at fair value through other comprehensive income were not pledged as collateral.

UNITED RENEWABLE ENERGY CO., LTD.
(FORMERLY NEO SOLAR POWER CORP.)

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Balance, January 1, 2018		Initial Application	Acquired from Business Combinations		Additions		Financial Assets	Balance, December 31, 2018			
Investees	Shares (In Thousands)	Fair value	Adjustment on IFRS 9	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount	Unrealized Gain or Loss	Shares (In Thousands)	Proportion of Ownership %	Fair Value	Remark
Domestic quoted shares												
SAS	-	$ -	$ -	21,860	$ 1,707,295	-	$ -	$ (369,440)	21,860	3.73	$ 1,337,855	1 and 2
TTMC	-	-	59,000	-	-	-	-	7,240	4,000	5.44	66,240	3
Unlisted ordinary shares												
EXOJET	-	-	-	-	-	5,885	59,086	(13,124)	5,885	12.06	45,962	-
TSCC	-	-	-	1,691	18,601	-	-	-	1,691	0.58	18,601	2
NTNU	-	-	-	200	2,000	-	-	-	200	2.60	2,000	2
		-	59,000		1,727,896		59,086	(375,324)			1,470,658	
Overseas unlisted ordinary shares												
ASIA GLOBAL VENTURE CAPITAL II CO., LTD.	-	-	-	1,000	22,137	-	-	-	1,000	10.00	22,137	2
SUN APPENNINO CORPORATION	-	-	22,327	-	-	-	-	(2,989)	-	26.09	19,338	-
FICUS CAPITAL CORPORATION	-	-	113	-	-	-	-	(113)	-	28.07	-	-
		-	22,440		22,137		-	(3,102)			41,475	
Total		$ -	$ 81,440		$ 1,750,033		$ 59,086	$ (378,426)			$ 1,512,133	

Note 1: The asset has been pledged as collaterals for long-term bank loans and financing facilities.

Note 2: The acquisition of investees is due to the absorption merging of two corporations, Gintech Energy and Solartech Energy on October 1, 2018.

Note 3: For private-placement shares, they are restricted under Article 43-8 of the Security and Exchange Act with quoted market prices, but they cannot be traded during the lock-up period. Their fair values are determined using market relevance prices.

UNITED RENEWABLE ENERGY CO., LTD.
(FORMERLY NEO SOLAR POWER CORP.)

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Balance, January 1, 2018		Initial Application Adjustment on IFRS 9	Acquired from Business Combinations		Acquired from Business Combinations Treasury Shares Owned by Subsidiaries	Additions		Deduction	
	Shares (In Thousands)	Amount		Shares (In Thousands)	Amount	Amount	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount
Investments in subsidiaries										
UES	-	$ -	$ -	61,930	$ 1,910,636	$ -	-	$ -	-	$ -
DelSolar Cayman	144,626	2,112,365	-	-	-	-	500	15,473	-	-
GES	191,200	1,846,412	-	-	-	-	-	-	-	-
NSP BVI	45,001	1,278,419	-	-	-	-	-	-	-	-
GES ME	4	353,995	-	-	-	-	-	-	-	-
Apex	-	-	-	48,500	145,994	-	-	-	-	-
NSP System	14,420	162,163	-	-	-	-	-	-	-	-
NSP UK	3,580	117,666	-	-	-	-	-	-	-	-
Prime Energy	9,000	50,832	41,226	-	-	-	-	-	-	-
New Ray Investment	11,500	57,518	-	-	-	-	-	-	-	-
Solartech Japan	-	-	-	2	36,205	-	-	-	-	-
Zhongyang	-	-	-	3,500	24,121	-	-	-	-	-
Huiyang	-	-	-	3,100	30,427	-	-	-	-	-
DelSolar Singapore	1,250	(18,127)	-	-	-	-	-	44,064	-	-
BPS	600	9,595	-	-	-	-	-	-	-	-
SMC	-	-	-	1,000	9,720	-	-	-	-	-
Utech	-	-	-	63,675	57,169	(18,699)	-	-	-	-
TRUE HONOUR LIMITED	-	-	-	2,637	43,587	-	-	-	(2,637)	(43,634)
		5,970,838	41,226		2,257,859	(18,699)		59,537		(43,634)
Investments in associates										
Neo Cathay	60,000	599,173	-	-	-	-	-	-	-	-
TSST	-	-	-	97,701	417,692	-	-	-	-	-
V5 Technology	7,790	72,402	-	-	-	-	-	-	-	-
Gintung	-	-	-	13,460	34,341	-	-	-	-	-
JSP	1,050	9,316	-	-	-	-	-	-	-	-
Sunshine PV	-	-	-	13,281	-	-	-	-	-	-
Solar PV	-	-	-	30,500	-	-	-	-	-	-
		680,891	-		452,033	-		-		-
Total		6,651,729	$ 41,226		$ 2,709,892	$ (18,699)		$ 59,537		$ (43,634)
Credit balance of investments accounted for using the equity method		18,127								
Total		$ 6,669,856								

	Share of Profit or Loss of Subsidiaries	Changes in Capital Surplus from Investments in Associates and Joint Ventures Accounted for Using the Equity Method	Dividends Income from Subsidiary	Adjustments from Unrealized Gain (Loss)	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Foreign Currency Translation Reserve	Balance, December 31, 2018			Market Value or Net Assets Value	Note
	Amount	Method			Amount	Amount	Shares (In Thousands)	Proportion of Ownership %	Fair value	Total Amount	
Investments in subsidiaries											
UES	$ (89,195)	$ -	$ -	$ -	$ -	$ 41,785	61,930	100	$ 1,863,226	$ 1,827,183	3
DelSolar Cayman	(356,249)	-	-	8,435	-	(4,153)	145,126	100	1,775,871	1,789,094	-
GES	(368,747)	-	-	(12,154)	-	68,474	191,200	100	1,533,985	1,564,288	-
NSP BVI	53,546	42,000	-	(9,227)	-	42,943	45,001	100	1,407,681	1,421,495	1
GES ME	3,379	-	-	-	-	10,875	4	100	368,249	376,066	-
Apex	7,756	-	-	-	3,591	-	48,500	100	157,341	157,341	3
NSP System	31,151	-	(48,838)	1,309	-	-	14,420	100	145,785	168,423	-
NSP UK	26,242	-	-	3,276	-	(3,996)	3,580	100	143,188	143,188	-
Prime Energy	(151)	-	-	-	(11,685)	-	9,000	100	80,222	80,222	-
New Ray Investment	1,314	-	-	-	5,430	-	11,500	100	64,262	64,262	-
Solartech Japan	(2,693)	-	-	-	-	821	2	100	34,333	34,333	3
Zhongyang	7,318	-	-	-	-	-	3,500	100	31,439	31,439	3
Huiyang	(132)	-	-	-	-	-	3,100	100	30,295	30,295	3
DelSolar Singapore	3,917	-	-	-	-	(11,162)	1,250	100	18,692	18,692	4
BPS	5,285	-	-	-	-	-	600	60	14,880	24,800	-
SMC	(62)	-	-	-	-	-	1,000	100	9,658	9,658	3
Utech	(172,974)	-	-	-	-	-	63,675	98.30	(134,504)	199,772	3
TRUE HONOUR LIMITED	47	-	-	-	-	-	-	-	-	-	3 and 5
	(850,248)	42,000	(48,838)	(8,361)	(2,664)	145,587			7,544,603	7,940,551	
Investments in associates											
Neo Cathay	17,723	-	-	-	-	-	60,000	40	616,896	616,896	-
TSST	(126,958)	-	-	-	-	(36,641)	97,701	42.12	254,093	370,569	1 and 3
V5 Technology	(2,542)	-	-	-	-	-	7,790	41.43	69,860	47,922	-
Gintung	10,083	-	-	-	-	-	13,460	36.38	44,424	45,277	3
JSP	(1,783)	-	-	-	-	-	1,050	35	7,533	7,533	-
Sunshine PV	-	-	-	-	-	-	13,281	19.47	-	-	3 and 6
Solar PV	-	-	-	-	-	-	30,500	19.92	-	-	3 and 7
	(103,477)	-	-	-	-	(36,641)			992,806	1,088,197	
Total	$ (953,725)	$ 42,000	$ (48,838)	$ (8,361)	$ (2,664)	$ 108,946			8,537,409	$ 9,028,748	
Credit balance of investments accounted for using the equity method									134,504		
Total									$ 8,671,913		

Note 1: CFY and TSST, which were the associates of NSP BVI, were recognized on the basis of unaudited financial statements as December 31, 2018.

Note 2: Except for the equity investment of Neo Cathay, the other investments accounted for using equity method had not been pledged as collateral.

Note 3: The acquisition of subsidiaries is due to the absorption merging of two corporations, Gintech Energy and Solartech Energy on October 1, 2018.

Note 4: The additions were amounts of accounts receivable regarded as investment after investment by DelSolar Singapore was cancelled in March 2018.

Note 5: The deductions were made after investment in True Honour Limited was cancelled in October 2018.

Note 6: The Corporation had recognized impairment loss on equity investment in Sunshine PV, an associate, and so the Corporation did not recognize any share of profit or loss of the associate.

Note 7: The Corporation had recognized impairment loss on equity investment in Solar PV, an associate, and so the Corporation did not recognize any share of profit or loss of the associate.

UNITED RENEWABLE ENERGY CO., LTD. (FORMERLY NEO SOLAR POWER CORP.)

STATEMENT OF SHORT-TERM BANK LOANS
DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars)

Type	Balance, End of Year	Contract Period	Collateral
Secured borrowings			
KGI Bank	$ 200,000	December 17, 2018 to March 15, 2019	1
Working Capital loan			Nil
Taiwan Cooperative Bank	1,018,324	June 25, 2018 to October 17, 2019	Nil
CTBC Bank	733,918	August 13, 2018 to March 26, 2019	Nil
Taiwan Business Bank	538,531	July 20, 2018 to June 24, 2019	Nil
TS Bank	525,000	December 10, 2018 to March 11, 2019	Nil
Bank of Taiwan	522,568	July 30, 2018 to May 15, 2019	Nil
Chang Hwa Bank	390,000	September 19, 2018 to March 25, 2019	Nil
First Bank	290,978	August 20, 2018 to March 25, 2019	Nil
Bank of Shanghai	212,992	August 31, 2018 to June 26, 2019	Nil
Land Bank of Taiwan	193,292	August 10, 2018 to March 4, 2019	Nil
Mega Bank	84,928	August 1, 2018 to March 27, 2019	Nil
Taichung Bank	73,372	August 30, 2018 to March 12, 2019	Nil
	$ 4,783,903		

Note 1: The carrying amount of machinery and equipment was $137,152 thousand which has pledged as collateral.

Note 2: As of December 31, 2018, the interest rate on secured borrowings was 1.7891%. And the range of interest rate on working capital loan was 0.8800%-4.0698%.

Note 3: The unused amount of short-term bank loan facilities was $4,357,293 thousand, as of December 31, 2018.

UNITED RENEWABLE ENERGY CO., LTD.
(FORMERLY NEO SOLAR POWER CORP.)

STATEMENT OF NOTES AND ACCOUNTS PAYABLE
DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars)

Vendor Name	Amount
Third parties	
Company DY	$ 222,486
Company BN	160,213
Company DZ	142,425
Others (Note)	1,256,236
	1,781,360
Related parties	
Company EA	203,003
Others (Note)	285
	203,288
Total	$ 1,984,648

Note: The amount for each individual vendor in others does not exceed 5% of the account balance.

UNITED RENEWABLE ENERGY CO., LTD.
(FORMERLY NEO SOLAR POWER CORP.)

STATEMENT OF PAYABLES TO CONTRACTORS AND EQUIPMENT SUPPLIERS
DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars)

Vendor Name	Amount
Company EB	$ 75,303
Company DF	21,334
Company CC	20,069
Company ED	19,815
Others (Note)	99,485
Total	$ 236,006

Note: The amount for each individual vendor included in others does not exceed 5% of the account balance.

UNITED RENEWABLE ENERGY CO., LTD.
(FORMERLY NEO SOLAR POWER CORP.)

STATEMENT OF BONDS PAYABLE
DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Bonds Name	Trustee	Issuance Date	Interest Payment Date	Coupon Rate (%)	Total Amount	Converted Into Common Shares	Balance, End of Year	Unamortized Discounts	Unrealized Foreign Exchange Gain	Carrying Value	Repayment		Collateral
Overseas secured bonds - 2016-3	Citi International Co., Ltd.	2016.10.27	-	-	$ 3,790,200	$ -	$ 3,790,200	$ 83,554	$ 92,149	$ 3,614,497	Issuance period: Conversion period: Conversion price:	2016.10.27-2019.10.27 2016.12.07-2019.10.17 currently $18 per share	Note

Note: The Corporation had restricted land, plant and machinery with a total carrying amount of $3,073,665 thousand.

UNITED RENEWABLE ENERGY CO., LTD.
(FORMERLY NEO SOLAR POWER CORP.)

STATEMENT OF LONG-TERM BANK LOANS
DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars)

Lender	Type	Balance, End of Year	Period	Collateral
Bank loans				
3.6 billion syndicated loan from Mega Bank (Note 1)	Working capital expansion	$ 2,832,000	March 25, 2016 to March 25, 2021	The Corporation had its land, plant and equipment, with a carrying amount of $3,196,237 thousand; FVTOCI with a carrying amount of $1,337,855 thousand, pledged as collateral
4.2 billion syndicated loan from First Bank (Note 1)	Working capital expansion	2,570,000	August 26, 2016 to August 26, 2021	The Corporation had its equipment, with a carrying amount of $2,618,455 thousand, pledged as collateral
3.3 billion syndicated loan from Taiwan Cooperative Bank	Working capital expansion	1,327,550	November 5, 2015 to November 5, 2020	The Corporation had its land, plant and equipment, with a carrying amount of $3,680,718 thousand, pledged as collateral
KGI Bank loan	Working capital expansion	250,000	December 27, 2018 to September 17, 2021	The Corporation had its land and plant, with a carrying amount of $311,220 thousand, pledged as collateral
0.55 billion syndicated loan from First Bank (Note 1)	Working capital loan for machinery and equipment purchase	178,750	December 30, 2014 to December 30, 2019	The Corporation had its equipment, with a carrying amount of $388,835 thousand, pledged as collateral
Union Bank of Taiwan loan (Note 1)	Working capital expansion	11,660	June 23, 2016 to June 23, 2019	The Corporation had its equipment, with a carrying amount of $63,239 thousand, pledged as collateral
King’s Town Bank	Working capital expansion	1,210,000	May 10, 2017 to May 10, 2021	Nil
0.5 billion syndicated loan from First Bank (Note 1)	Working capital expansion	337,500	September 9, 2016 to September 9, 2021	Nil
Cota Commercial Bank loan (Note 1)	Working capital expansion	16,664	October 24, 2016 to October 24, 2019	Nil
Other borrowings				
EQUVO Pte., Ltd.	Machinery and equipment Financing	672,941	September 26, 2018 to September 26, 2022	The Corporation had its equipment, with a carrying amount of $698,651 thousand; associate accounted for using the equity method, with a carrying amount of $616,896 thousand; refundable deposits for inventory buyback financing, with a carrying amount of $200,000 thousand, pledged as collateral
JihSun International Leasing & Finance Co., Ltd.	Inventory Financing	90,370	January 29, 2018 to July 29, 2019	The Corporation had its refundable deposits for inventory buyback financing, with a carrying amount of $20,000 thousand, pledged as collateral
Taichung Bank Leasing & Finance Co., Ltd	Inventory Financing	71,555	May 25, 2018 to May 25, 2020	Nil
Hotai Finance Corporation	Inventory Financing	58,562	March 9, 2018 to June 9, 2019	Nil
IBT Leasing Corporation Limited	Inventory Financing	3,850	March 16, 2017 to March 24, 2019	Nil
		9,631,402		
Current portion		(3,218,987)		
		$ 6,412,415		

Note 1: Acquisitions through business combinations of Gintech Energy and Solartech Energy on October 1, 2018.

Note 2: The range of interest rates on bank loans was 1.6894%-2.8053% and on other borrowings was 3.0400%-6.9239% as of December 31, 2018.

Note 3: The unused amounts of long-term bank loan facilities were $890,000 thousand as of December 31, 2018.

STATEMENT 13

UNITED RENEWABLE ENERGY CO., LTD.
(FORMERLY NEO SOLAR POWER CORP.)

STATEMENT OF NET SALES
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars)

Item	Shipments (Pieces)	Amount
Solar cells and modules	107,454 thousand	$ 10,058,524
Others	1,763 thousand	276,436
		10,334,960
Sales returns and allowances		24,840
Net sales		$ 10,310,120

UNITED RENEWABLE ENERGY CO., LTD.
(FORMERLY NEO SOLAR POWER CORP.)

STATEMENT OF COST OF SALES
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars)

Item	Amount
Raw materials used	
Balance, beginning of year	$ 375,964
Raw materials purchased	5,839,998
Transferred to manufacturing or operating expenses	(506,988)
Acquisitions through business combinations	314,580
Raw materials, end of year	(521,647)
Subtotal	5,501,907
Direct labor	689,552
Manufacturing expenses	2,809,882
Manufacturing cost	9,001,341
Work in process, beginning of year	78,368
Work in process purchased	488,219
Transferred to manufacturing or operating expenses	(2,414)
Work in process sold	(2,115)
Acquisitions through business combinations	127,458
Raw materials purchased of construction in progress	2,082
Work in process (including construction in progress), end of year	(137,050)
Cost of finished goods	9,555,889
Finished goods, beginning of year	787,016
Finished goods purchased	250,358
Transferred to manufacturing or operating expenses	(6,684)
Acquisitions through business combinations	731,108
Finished goods, end of year	(1,169,033)
Subtotal	10,148,654
Unallocated fixed manufacturing overhead	770,259
Cost from sale of work in process	2,115
Others	338,687
Total	$ 11,259,715

STATEMENT 15

UNITED RENEWABLE ENERGY CO., LTD.
(FORMERLY NEO SOLAR POWER CORP.)

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars)

Item	Selling Expenses	General and Administrative Expenses	Research and Development Expenses
Transportation and miscellaneous expenses	$ 122,064	$ 650	$ 546
Payroll and related expenses	60,937	171,652	83,892
Service charges	9,860	26,715	1,380
Indirect materials	3,169	416	10,829
Other employee benefits	1,693	21,441	2,797
Depreciation	1,634	34,550	37,964
Certification fee	178	-	24,621
Maintenance and repair charges	138	7,639	14,116
Bank charges	16	99,089	-
Others (Note)	66,461	61,507	17,521
Total	$ 266,150	$ 423,659	$ 193,666

Note: The amount for each item in others does not exceed 5% of the account balance.

UNITED RENEWABLE ENERGY CO., LTD.
(FORMERLY NEO SOLAR POWER CORP.)

STATEMENT OF LABOR, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	2018			2017		
	Classified as Cost of Sales	Classified as Operating Expenses	Total	Classified as Cost of Sales	Classified as Operating Expenses	Total
Labor cost						
Salary and bonus	$ 1,014,605	$ 307,424	$ 1,322,029	$ 824,711	$ 287,436	$ 1,112,147
Labor and health insurance	96,752	23,894	120,646	82,498	23,733	106,231
Pension	44,297	14,747	59,044	40,519	13,328	53,847
Remuneration of directors	-	9,057	9,057	-	9,240	9,240
Others	57,731	25,931	83,662	43,308	26,459	69,767
	$ 1,213,385	$ 381,053	$ 1,594,438	$ 991,036	$ 360,196	$ 1,351,232
Depreciation	$ 1,505,413	$ 74,148	$ 1,579,561	$ 1,353,716	$ 64,031	$ 1,417,747
Amortization	$ 84	$ 968	$ 1,052	$ -	$ -	$ -

As of December 31, 2018 and 2017, the Corporation had 3,143 and 1,630 employees, respectively. And there were 7 and 6 non-employee directors, respectively.

8.7Audited Standalone Financial Statements for Most Recent Year:

United Renewable Energy Co., Ltd.
and Subsidiaries
(Formerly Neo Solar Power Corp.)

Consolidated Financial Statements for the Years Ended December 31, 2018 and 2017 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2018 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 "Consolidated Financial Statements." Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,

United Renewable Energy Co., Ltd.

By:

CHUM SAM HONG
Chairman

March 22, 2019

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
United Renewable Energy Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of United Renewable Energy Co., Ltd. ("the Corporation", formerly Neo Solar Power Corp.) and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter section of this report), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2018. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Group's consolidated financial statements for the year ended December 31, 2018 are stated as follows:

Assessment of impairment losses on prepayments of long-term purchase contracts

To stabilize the supply of raw materials in the manufacturing process, the Group signed several long-term materials supply agreements and made certain prepayments to be deducted from actual purchases. The assessment of impairment losses on prepayments may be influenced by any worsening of the supplier's financial position, negative variances in the solar energy industry, and declining prices of raw materials; any of these factors could result in a deceleration in the use of the prepayments. The assessment of impairment losses on prepayments by key management personnel is related to estimations of future cash flows and the identification of rates for recognizing impairment losses. Therefore, the assessment of impairment losses on prepayments was considered as a key audit matter. The accounting policies on impairment losses on prepayments can be found in Notes 4 and 5 to the accompanying consolidated financial statements. For the description of impairment losses on prepayments, refer to Notes 23 and 44 to the consolidated financial statements.

Our audit procedures performed in respect of the above key audit matter included the following:

1. We assessed the reasonableness of the method used by key management personnel for recognizing impairment losses as well as the reasonableness of assumptions.

2. We tested the accuracy of relevant calculations of prepayment deductions and confirmed that the impairment loss was properly recognized when prepayments would not be fully applied.

Business combination

With the anticipated growth in future demand for solar energy, the bright prospect of development of the solar industry, the expansion of the solar energy business and to enhance sustainability, in 2018, the Corporation merged two companies, Gintech Energy Corporation and Solartech Energy Corporation; the Corporation is the surviving entity and renamed United Renewable Energy Co., Ltd. Such acquisition created a bargain purchase gain of NT$2,261,090 thousand (Note 35). The related accounting policies, significant accounting estimates and basis of consideration are described in Notes 4 and 5 to the consolidated financial statements. Such transaction was a significant event and transaction in the current year. The fair value assessment of the acquisition-date assets and liabilities and the amount of the bargain purchase gain were based on the purchase price allocation report; the adopted method and assumptions involve the use of critical accounting judgements and estimations. Therefore, the aforementioned transaction was considered as a key audit matter.

Our audit procedures performed in respect of the above key audit matter included the following:

1. We reviewed minutes of meetings of the board of directors, inspected consolidated contracts and confirmed documents related to the acquisition price.

2. We inspected and tested whether the management's accounting treatment and recording of the acquisition-date amounts of assets and liabilities at fair value were in accordance with IFRS 3 Business Combinations.

3. We assessed the qualifications of the external expert commissioned for the professional conduct of the business combination and we reviewed the purchase price allocation report issued by the external expert.

4. We tested the data and evidence supporting the method used and assumptions adopted in the determination of the fair value of Gintech Energy Corporation and Solartech Energy Corporation's tangible assets and liabilities presented in the report . We recalculated the bargain purchase gain recognized in the acquisition.

Other Matter

Some subsidiaries included in the Group's consolidated financial statements were audited by other auditors. The amounts within the consolidated financial statements for those subsidiaries were based solely on the reports of other auditors. As of December 31, 2018 and 2017, total assets of the aforementioned subsidiaries were 15.98% and 26.27% of the consolidated total assets, respectively. For the years ended December 31, 2018 and 2017, the operating revenues of these subsidiaries were 10.44% and 5.63% of the consolidated total operating revenue, respectively.

The financial statements of some investee companies accounted for using the equity method were audited by other auditors. The amounts within the consolidated financial statements for those investee companies were based solely on the reports of other auditors. As of December 31, 2018 and 2017, the aforementioned investments accounted for using the equity method were NT$114,284 thousand and NT$32,650 thousand, respectively. For the years ended December 31, 2018 and 2017, there was a gain of NT$7,541 thousand and a loss of NT$(5,944) thousand, respectively, from the aforesaid investments accounted for using the equity method.

Some subsidiaries included in the Group's consolidated financial statements, which we have not audited but were audited by other auditors in accordance with different auditing standards, are based on a framework different from the accompanying consolidated financial statements. We have performed compulsory audit procedures and have made adjustments to the other financial statements for them to conform with the Regulations Governing the Preparation of

Financial Reports by Securities Issuers. The consolidated financial statement amounts for the aforementioned subsidiaries were based on the reports of other auditors and the results of additional audit procedures performed in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. As of December 31, 2018 and 2017, total assets of the aforementioned subsidiaries were 4.00% and 5.60% of the consolidated total assets, respectively. For the years ended December 31, 2018 and 2017, the operating revenue of these subsidiaries was 3.35% and 0.38% of the consolidated total operating revenue, respectively.

The financial statements of some investee companies accounted for using the equity method, which we have not audited but were audited by other auditors in accordance with different auditing standards, are based on a framework different from the accompanying consolidated financial statements. We have performed compulsory audit procedures and have made adjustments to the other financial statements for them to conform with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The consolidated financial statement amounts for the aforementioned investee companies were based on the reports of other auditors and the results of additional audit procedures performed in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. As of December 31, 2017, the aforesaid investments accounted for using the equity method were NT$3,590 thousand. For the year ended December 31, 2017, the Groups share of the losses aforesaid investments accounted for using the equity method amounted to NT$(28,413) thousand.

The financial statements of some investee companies accounted for using the equity method as of and for the year ended December 31, 2017, which were based on a framework different from the accompanying consolidated financial statements and which we have not audited, were audited by other auditors. We have performed compulsory audit procedures and have made adjustments to the other financial statements for them to conform with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The consolidated financial statement amounts for the aforementioned investee companies were based on the reports of other auditors. As of December 31, 2017, the aforesaid investments accounted for using the equity method were NT$81,718 thousand. For the year ended December 31, 2017, the Group’s share of the losses of the aforesaid investments accounted for using the equity method were NT$(18,562) thousand.

We have also audited the parent company only financial statements of United Renewable Energy Co., Ltd. as of and for the years ended December 31, 2018 and 2017 on which we have issued an unqualified opinion with other matters paragraphs.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2018 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Yi-Hsin Kao and Yu-Feng Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 22, 2019

<u>Notice to Readers</u>

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 jurisdiction. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' 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 auditors' report and consolidated financial statements shall prevail.

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
(FORMERLY NEO SOLAR POWER CORP.)

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	2018		2017	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 ,6, 35, 36, 37 and 41)	$ 9,555,845	16	$ 4,430,627	13
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 41)	-	-	106	-
Financial assets at fair value through other comprehensive income - current (Notes 4, 8, 41 and 43)	133,333	-	-	-
Contract assets - current (Notes 3, 4 and 41)	96,617	-	-	-
Notes and accounts receivable, net (Notes 4, 5, 13 and 41)	2,506,228	4	1,300,076	4
Accounts receivable from related parties (Notes 4, 5, 13, 41 and 42)	532,466	1	170,506	-
Finance lease receivables (Notes 4, 5, 14, 41 and 43)	273,941	1	195,295	1
Amount due from customers for construction contracts (Notes 4, 15, 41 and 42)	-	-	64,295	-
Other receivables (Notes 4, 41 and 42)	217,816	-	99,626	-
Other receivables from related parties (Notes 4, 41and 42)	1,083,053	2	1,765,926	5
Current tax assets (Notes 4 and 32)	76,327	-	8,557	-
Inventories (Notes 4, 5, 16 and 43)	3,385,486	6	2,972,591	9
Prepayments (Notes 5, 22, 23, 42 and 44)	638,326	1	205,275	1
Non-current assets held for sale (Notes 4, 17, 20 and 43)	-	-	280,778	1
Other current assets (Notes 23, 41 and 43)	4,981,243	9	1,079,956	3
Total current assets	23,480,681	40	12,573,614	37
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 41)	243,130	1	141,514	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8, 41 and 43)	1,595,898	3	-	-
Available-for-sale financial assets - non-current (Notes 4, 10 and 41)	-	-	109,065	-
Financial assets at amortized cost - non-current (Notes 4, 9 and 41)	153,700	-	-	-
Financial assets carried at cost - non-current (Notes 4, 11 and 41)	-	-	54,546	-
Debt investments with no active market - non-current (Notes 4, 12, 41 and 42)	-	-	149,240	-
Investments accounted for using the equity method (Notes 4, 19 and 43)	2,381,220	4	1,887,773	6
Property, plant and equipment (Notes 4, 5, 17, 20, 42 and 43)	20,056,530	35	11,162,899	33
Intangible assets (Notes 4, 5, 21 and 35)	202,962	-	261,350	1
Deferred tax assets (Notes 4, 5 and 32)	1,076,369	2	90,529	-
Finance lease receivables - non-current (Notes 4, 5, 14, 20, 41 and 43)	5,352,933	9	3,798,494	11
Prepayments - non-current (Notes 5, 22, 23 and 44)	2,507,436	4	1,010,072	3
Refundable deposits (Notes 4, 41 and 43)	1,004,824	2	852,023	2
Other receivables from related parties - non-current (Notes 4, 13, 41 and 43)	11,681	-	194,664	1
Prepayments for leases (Notes 4 and 22)	19,469	-	19,700	-
Other non-current assets (Notes 23 and 43)	199,454	-	1,940,462	6
Total non-current assets	34,805,606	60	21,672,331	63
TOTAL	$ 58,286,287	100	$ 34,245,945	100

	2018		2017	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES				
Short-term bank loans (Notes 24, 41 and 43)	$ 6,869,628	12	$ 8,229,315	24
Short-term bills payable (Notes 24 and 41)	276,436	-	606,396	2
Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 41)	-	-	5,742	-
Contract liabilities - current (Notes 3, 4 and 42)	345,252	1	-	-
Notes and accounts payable (Note 40)	2,048,266	3	1,104,640	3
Accounts payable to related parties (Notes 41 and 42)	441	-	12,820	-
Amount due to customers for construction contracts (Notes 4, 15, 41 and 42)	-	-	71,963	-
Bonuses payable to employees and directors (Note 31)	2,649	-	8,242	-
Payables to contractors and equipment suppliers (Notes 40 and 42)	402,074	1	507,879	2
Accrued expenses (Notes 4, 26, 41 and 42)	2,093,109	4	2,536,941	8
Current tax liabilities (Notes 4 and 32)	1,910	-	19,462	-
Provisions - current (Notes 4 and 27)	-	-	1,609	-
Receipts in advance (Note 42)	478	-	374,623	1
Current portion of long-term bank loans, preference share liabilities and bonds payable (Notes 24, 25, 41 and 43)	9,906,475	17	3,101,105	9
Other current liabilities (Notes 4 and 26)	131,650	-	98,835	-
Total current liabilities	22,078,368	38	16,679,572	49
NON-CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - non-current (Notes 4, 7 and 41)	191,790	-	94,014	-
Bonds payable (Notes 25, 41 and 43)	-	-	3,425,011	10
Long-term bank loans (Notes 24, 41 and 43)	9,528,510	16	2,158,036	6
Provisions - non-current (Notes 4 and 27)	305,138	1	246,033	1
Deferred tax liabilities (Notes 4 and 32)	63,727	-	53,125	-
Guarantee deposits	38,795	-	36,595	-
Preference share liabilities (Notes 4, 24 and 41)	44,483	-	26,419	-
Other non-current liabilities (Note 26)	230,465	1	189,330	1
Total non-current liabilities	10,402,908	18	6,228,563	18
Total liabilities	32,481,276	56	22,908,135	67
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (Notes 29, 35 and 37)				
Common shares	25,157,599	43	10,192,564	30
Capital surplus	1,011,023	2	6,028,165	18
Retained earnings				
Accumulated deficit	(369,468)	(1)	(4,611,501)	(14)
Other equity	(873,443)	(1)	(529,826)	(2)
Treasury shares	(18,699)	-	-	-
Total equity attributable to shareholders of the parent	24,907,012	43	11,079,402	32
NON-CONTROLLING INTERESTS (Notes 18 and 38)	897,999	1	258,408	1
Total equity	25,805,011	44	11,337,810	33
TOTAL	$ 58,286,287	100	$ 34,245,945	100

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

(With Deloitte & Touche auditors’ report dated March 22, 2019)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
(FORMERLY NEO SOLAR POWER CORP.)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2018		2017	
	Amount	**%**	**Amount**	**%**
NET SALES (Notes 4, 30, 41 and 43)	$ 12,983,920	100	$ 10,247,887	100
COST OF SALES (Notes 4, 16, 31 and 41)	13,722,481	106	12,204,604	119
GROSS LOSS	(738,561)	(6)	(1,956,717)	(19)
REALIZED (UNREALIZED) GAINS FROM SALES	8,310	-	(26,678)	-
REALIZED GROSS LOSS	(730,251)	(6)	(1,983,395)	(19)
OPERATING EXPENSES (Notes 31 and 42)				
Selling	662,207	5	761,073	7
General and administrative	810,900	6	723,884	7
Research and development	211,737	2	266,224	3
Expected credit loss on trade receivables	34,003	-	-	-
Total operating expenses	1,718,847	13	1,751,181	17
OTHER INCOME AND EXPENSES (Notes 17, 20 and 31)	(260,378)	(2)	(158,372)	(2)
LOSS FROM OPERATIONS	(2,709,476)	(21)	(3,892,948)	(38)
NON-OPERATING INCOME AND EXPENSES				
Gain from bargain purchase	2,261,090	17	-	-
Gain on disposal of investments	254,886	2	344,039	3
Reversal of contract compensation interest (Notes 44)	239,274	2	-	-
Interest income (Notes 31 and 42)	104,773	1	162,255	1
Other income (Notes 31 and 42)	97,386	1	85,329	1
Gain (loss) on financial instruments at fair value through profit or loss (Notes 4 and 7)	62,391	-	(179,008)	(2)
Gain on disposal of power facility business (Note 19)	18,305	-	-	-
Gain on disposal of power facilities business held for sale (Note 17)	6,387	-	-	-
Dividends income (Note 42)	3,680	-	4,415	-
Share of profit of associates and joint ventures (Notes 4 and 19)	(7,642)	-	1,488	-
Expect credit loss on trade receivables (Notes 4 and 13)	(8,400)	-	-	-
Foreign exchange (loss) gain, net (Note 31)	(61,243)	(1)	73,979	1
Finance costs (Notes 24 and 31)	(653,408)	(5)	(726,152)	(7)
Other gains and losses	(48,306)	-	(4,123)	-
Total non-operating income and expenses	2,269,173	17	(237,778)	(3)

(Continued)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
(FORMERLY NEO SOLAR POWER CORP.)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2018		2017	
	Amount	**%**	**Amount**	**%**
LOSS BEFORE INCOME TAX	$ (440,303)	(4)	$ (4,130,726)	(41)
INCOME TAX EXPENSE (Notes 4 and 32)	(23,306)	-	(29,263)	-
NET LOSS FOR THE YEAR	(463,609)	(4)	(4,159,989)	(41)
OTHER COMPREHENSIVE (LOSS) INCOME (Note 31)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(397,006)	(3)	-	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	124,877	1	(344,571)	(3)
Unrealized losses on available-for-sale financial assets	-	-	(18,623)	-
Total other comprehensive loss	(272,129)	(2)	(363,194)	(3)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	$ (735,738)	(6)	$ (4,523,183)	(44)
NET LOSS ATTRIBUTABLE TO:				
Shareholders of the parent	$ (468,294)	(4)	$ (4,154,163)	(41)
Non-controlling interests	4,685	-	(5,826)	-
	$ (463,609)	(4)	$ (4,159,989)	(41)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:				
Shareholders of the parent	$ (756,354)	(6)	$ (4,479,244)	(44)
Non-controlling interests	20,616	-	(43,939)	-
	$ (735,738)	(6)	$ (4,523,183)	(44)
LOSS PER SHARE (Note 33)				
Basic loss per share	$ (0.34)		$ (4.08)	
Diluted loss per share	$ (0.34)		$ (4.08)	

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

(With Deloitte & Touche auditors' report dated March 22, 2019) (Concluded)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
(FORMERLY NEO SOLAR POWER CORP.)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Parent															
			Capital Surplus						Other Equity							
	Common Shares							Retained Earnings								
	Shares (In Thousands)	Common Shares	Share Premium	Changes in Capital Surplus from Investments in Associates and Joint Ventures Accounted for Using the Equity Method	Difference between Consideration and Carrying Amounts Adjusted Arising from Changes in Percentage of Ownership in Subsidiaries	Employee Share Options	Restricted Shares for Employees	Accumulated Deficits	Foreign Currency Translation Reserve	Unrealized Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Unrealized (Losses) Gains on Available-for-sale Financial Assets	Unearned Employees Benefits	Treasury Shares	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2017	1,017,615	$ 10,176,152	$ 12,209,652	$ -	$ 14,023	$ 3,022	$ 118,649	$ (6,309,786)	$ (90,836)	$ -	$ (53,259)	$ (4,666)	$ -	$ 16,062,951	$ 616,631	$ 16,679,582
Offset of deficit against capital surplus	-	-	(6,309,786)	-	-	-	-	6,309,786	-	-	-	-	-	-	-	-
Reclassification of issuance of share premium	-	-	120,462	-	-	(3,022)	(117,440)	-	-	-	-	-	-	-	-	-
Cancellation of restricted shares for employees	(214)	(2,138)	-	-	-	-	(1,627)	-	-	-	-	3,765	-	-	-	-
Issued restricted shares for employees	1,855	18,550	-	-	-	-	8,255	-	-	-	-	(26,805)	-	-	-	-
Compensation cost of restricted shares for employees	-	-	-	-	-	-	-	-	-	-	-	7,668	-	7,668	-	7,668
Compensation costs of employee share options	-	-	-	-	-	-	-	-	-	-	-	-	-	-	46	46
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(33,019)	(33,019)
Actual disposals or acquisitions of interests in subsidiaries	-	-	-	-	(14,023)	-	-	(445,947)	(40,612)	-	-	-	-	(500,582)	(454,228)	(954,810)
Effect of reorganization	-	-	-	-	-	-	-	(11,391)	-	-	-	-	-	(11,391)	11,391	-
Acquired non-controlling interest fair value adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(14,267)	(14,267)
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	175,793	175,793
Net loss for the year ended December 31, 2017	-	-	-	-	-	-	-	(4,154,163)	-	-	-	-	-	(4,154,163)	(5,826)	(4,159,989)
Other comprehensive loss for the year ended December 31, 2017, net of income tax	-	-	-	-	-	-	-	-	(306,458)	-	(18,623)	-	-	(325,081)	(38,113)	(363,194)
Total comprehensive loss for the year ended December 31, 2017	-	-	-	-	-	-	-	(4,154,163)	(306,458)	-	(18,623)	-	-	(4,479,244)	(43,939)	(4,523,183)
BALANCE AT DECEMBER 31, 2017	1,019,256	10,192,564	6,020,328	-	-	-	7,837	(4,611,501)	(437,906)	-	(71,882)	(20,038)	-	11,079,402	258,408	11,337,810
Effect of retrospective application	-	-	-	-	-	-	-	98,826	-	(130,891)	71,882	-	-	39,817	-	39,817
BALANCE AT JANUARY 1, 2018	1,019,256	10,192,564	6,020,328	-	-	-	7,837	(4,512,675)	(437,906)	(130,891)	-	(20,038)	-	11,119,219	258,408	11,377,627
Share of changes in capital surplus of associates or joint ventures	-	-	-	42,000	-	-	-	-	-	-	-	-	-	42,000	-	42,000
Offset of deficit against capital surplus	-	-	(4,611,501)	-	-	-	-	4,611,501	-	-	-	-	-	-	-	-
Issuance of ordinary shares for cash	334,292	3,342,917	(561,610)	-	-	-	-	-	-	-	-	-	-	2,781,307	-	2,781,307
Issuance of shares in business combination	1,157,899	11,578,990	115,790	-	-	-	-	-	-	-	-	-	-	11,694,780	27,393	11,722,173
Treasury shares owned by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(18,699)	(18,699)	-	(18,699)
Issued restricted shares for employees	6,121	61,211	-	-	-	-	(17,628)	-	-	-	-	(15,316)	-	28,267	-	28,267
Cancellation of restricted shares for employees	(1,809)	(18,083)	-	-	-	-	15,807	-	-	-	-	2,276	-	-	-	-
Compensation cost of restricted shares for employees	-	-	-	-	-	-	-	-	-	-	-	16,492	-	16,492	-	16,492
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	591,582	591,582
Net loss for the year ended December 31, 2018	-	-	-	-	-	-	-	(468,294)	-	-	-	-	-	(468,294)	4,685	(463,609)
Other comprehensive loss for the year ended December 31, 2018, net of income tax	-	-	-	-	-	-	-	-	108,946	(397,006)	-	-	-	(288,060)	15,931	(272,129)
Total comprehensive loss for the year ended December 31, 2018	-	-	-	-	-	-	-	(468,294)	108,946	(397,006)	-	-	-	(756,354)	20,616	(735,738)
BALANCE AT DECEMBER 31, 2018	2,515,759	$ 25,157,599	$ 963,007	$ 42,000	$ -	$ -	$ 6,016	$ (369,468)	$ (328,960)	$ (527,897)	$ -	$ (16,586)	$ (18,699)	$ 24,907,012	$ 897,999	$ 25,805,011

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

(With Deloitte & Touche auditors' report dated March 22, 2019).

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
(FORMERLY NEO SOLAR POWER CORP.)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	$ (440,303)	$ (4,130,726)
Adjustments for:		
Depreciation	2,031,556	1,722,433
Amortization	16,678	15,958
Expected credit loss	42,403	-
Impairment loss recognized on accounts receivable	-	78,222
Net (gain) loss on financial assets and liabilities at fair value through profit or loss	(9,476)	11,530
Share of loss (gain) of associates and joint ventures	7,642	(1,488)
Loss on disposal of property, plant and equipment	26	116,086
Reclassifications from property, plant and equipment to expenses	255,846	7,313
Impairment loss on property, plant and equipment	257,949	43,669
Loss (gain) on disposal of non-current assets held for sale	2,403	(1,383)
Gain on disposal of power facilities business held for sale	(6,387)	-
Gain on disposal of power facilities business	(18,305)	-
Gain on disposal of investments	(254,886)	(326,766)
Reversal of inventories	(19,129)	(272,126)
(Reversal) impairment loss on prepayments	(78,924)	487,558
Recognized loss on purchase contracts	398,581	575,580
Net loss (gain) on foreign exchange	81,204	(241,620)
Gain from bargain purchase	(2,261,090)	-
Reversal of provisions	-	(4,249)
Compensation costs of restricted shares for employees	16,492	7,668
Compensation costs of employee share options	-	46
Interest income	(491,666)	(401,454)
Dividends income	(3,680)	(4,415)
Finance costs	653,408	726,152
Reversal of contracts compensation interest	(239,274)	-
(Realized) unrealized gain from associates	(8,310)	26,678
	373,061	2,565,392
Changes in operating assets and liabilities		
Contract assets - current	(32,322)	-
Notes and accounts receivable	462,375	1,096,040
Accounts receivable from related parties	(354,018)	(79,326)
Other receivables	669,021	1,364,171
Other receivables from related parties	(761,361)	(407,038)
Amount due from customers for construction contracts	-	(64,295)
Inventory	423,517	253,424
Prepayments (including non-current)	89,088	162,336
Other current assets	(364,975)	(88,016)
Contract liabilities - current	36,737	-
Notes and accounts payable	(435,272)	(1,217)
Accounts payable to related parties	149,673	(11,489)
Amount due to customers for construction contracts	-	71,963
Bonuses payable to employees and directors	(5,593)	5,593
Accrued expenses	(471,796)	(559,485)
Receipts in advance	(390,645)	285,835
Deferred revenue	42,948	(33,613)
Other current liabilities	81,995	5,335
Provisions	59,179	40,062
Income taxes paid	(112,593)	(41,021)
Net cash (used in) generated from operating activities	(981,284)	433,925

(Continued)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
(FORMERLY NEO SOLAR POWER CORP.)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds of debt investments with no active market	$ -	$ 146,453
Proceeds from sale of power facilities business	127,645	-
Proceeds from sale of power facilities business held for sale	159,998	-
Acquisition of associates and joint ventures	(441)	(15,800)
Net cash inflow on disposal of associates and joint ventures	-	40,682
Net cash outflow on acquisition of subsidiaries	-	(143,481)
Net cash inflow on disposal of subsidiaries	1,258,722	432,697
Proceeds from sale of non-current assets held for sale	135,189	1,209,182
Acquisition of property, plant and equipment	(2,548,523)	(4,162,284)
Proceeds from disposal of property, plant and equipment	26	1,741
Decrease (increase) in other receivables from related parties - non-current	182,983	(80,826)
Financing provided to related parties	-	(1,282,890)
Repayments by related parties	1,263,183	916,350
Acquisition of intangible assets	(3,739)	-
New cash flow due to consolidation	5,397,530	-
Increase in restricted assets	(1,059,757)	(1,528,825)
Increase in pledged time deposits	(299,866)	(166,856)
Decrease in finance lease receivables	431,789	91,296
Interest received	607,450	298,514
Dividends received	3,680	4,415
Increase in refundable deposits	(309,197)	(645,599)
Decrease in refundable deposits	188,607	222,418
Increase in other non-current assets	(17,881)	(22,125)
Decrease in other non-current assets	6,927	3,343
Net cash generated from (used in) investing activities	5,524,325	(4,681,595)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term bank loans	17,688,129	28,161,918
Decrease in short-term bank loans	(21,008,981)	(27,300,484)
Increase in short-term bills payable	2,742,294	705,400
Decrease in short-term bills payable	(3,076,005)	(348,300)
Proceeds from long-term bank loans	5,948,438	4,625,026
Repayments of long-term bank loans	(4,599,633)	(3,510,782)
Proceeds from issue of preference share liabilities	33,756	34,948
Repayments of preference share liabilities	(7,015)	(470,000)
Increase in guarantee deposits	7	73
Decrease in guarantee deposits	(379)	(91)
Proceeds from issuance of common shares for cash	2,781,307	-
Interest paid	(551,314)	(360,764)
Increase (decrease) in non-controlling interests	591,582	(779,017)
Net cash generated from financing activities	542,186	757,927
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	39,991	(86,766)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,125,218	(3,576,509)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	4,430,627	8,007,136
CASH AND CASH EQUIVALENTS, END OF THE YEAR	$ 9,555,845	$ 4,430,627

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

(With Deloitte & Touche auditors' report dated March 22, 2019) (Concluded)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
(FORMERLY NEO SOLAR POWER CORP.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. ORGANIZATION AND OPERATION

United Renewable Energy Co., Ltd. (formerly Neo Solar Power Corp.) (the Corporation) was incorporated in the Republic of China on August 26, 2005. The Corporation specializes in manufacturing high-quality solar cells, solar cell modules and wafers. The Corporation's main business activities include researching, developing, designing, manufacturing and selling solar cells as well as participating in other solar-related businesses. Its ordinary shares have been listed on the Taiwan Stock Exchange (TSE) since January 2009. On October 1, 2018, the Corporation merged the former Gintech Energy Corporation (Gintech Energy) and Solartech Energy Corporation (Solartech Energy) with the Corporation as the surviving company. For the main business activities of the Corporation and its subsidiaries (collectively referred to as "the Group"), refer to Notes 18 and 46.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by Group's board of directors on March 22, 2019.

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

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China (FSC)

Except for the following, whenever applied, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC would not have any material impact on the Group's accounting policies:

1) IFRS 9 "Financial Instruments" and related amendments

IFRS 9 supersedes IAS 39 "Financial Instruments: Recognition and Measurement", with consequential amendments to IFRS 7 "Financial Instruments: Disclosures" and other standards. IFRS 9 sets out the requirements for classification, measurement and impairment of financial assets and hedge accounting. Refer to Note 4 for information relating to the relevant accounting policies.

Classification, measurement and impairment of financial assets

On the basis of the facts and circumstances that existed as at January 1, 2018, the Group has performed an assessment of the classification of recognized financial assets and has elected not to restate prior reporting periods.

The following table shows the original measurement categories and carrying amounts under IAS 39 and the new measurement categories and carrying amounts under IFRS 9 for each class of the Group's financial assets and financial liabilities as at January 1, 2018.

	Measurement Category		Carrying Amount		
	IAS 39	**IFRS 9**	**IAS 39**	**IFRS 9**	**Note**

Financial asset classification					
Cash and cash equivalents, notes and accounts receivable, accounts receivable from related parties, pledged time deposits, restricted assets, refundable deposits and other receivables	Loans and receivables	Amortized cost	$ 11,549,608	$ 11,549,608	(1)
Equity securities	Available for sale	FVTOCI	163,611	203,428	(2)
Derivatives	Held for trading	Mandatorily at FVTPL	141,620	141,620	
Debt investments	Amortized cost	Amortized cost	149,240	149,240	
Financial liabilities classification					
Short-term loans, short-term bills payable, notes and accounts payable, accounts payable to related parties, payables to contractors and equipment suppliers, accrued expenses, long-term loans and bonds payable	Amortized cost	Amortized cost	20,581,872	20,581,872	
Derivatives	Held for trading	Held for trading	99,756	99,756	

Financial Assets	Carrying Amount as of December 31, 2017 (IAS 39)	Reclassifi-cations	Remea-surements	Carrying Amount as of January 1, 2018 (IFRS 9)	Retained Earnings Effect on January 1, 2018	Other Equity Effect on January 1, 2018	Note
FVTOCI	$ -	$ -	$ -	$ -	$ -	$ -	
- Equity instruments	-	163,611	39,817	203,428	98,826	(59,009)	(2)
Add: Reclassification from available-for-sale	-	163,611	39,817	203,428	98,826	(59,009)	
Amortized cost	-	-	-	-	-	-	
Add: Reclassification from loans and receivables	-	11,549,608	-	11,549,608	-	-	(1)
	-	11,549,608	-	11,549,608	-	-	
Total	$ -	$ 11,713,219	$ 39,817	$ 11,753,036	$ 98,826	$ (59,009)	

(1) Cash and cash equivalents, notes and accounts receivable, accounts receivable from related parties, pledged time deposits, restricted assets, refundable deposits and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortized cost with assessment of future 12-month or lifetime expected credit losses under IFRS 9.

(2) As equity investments that were previously classified as available-for-sale financial assets under IAS 39 are not held for trading, the Group elected to designate all of these investments as at FVTOCI under IFRS 9. As a result, the related other equity-unrealized gain/loss on available-for-sale financial assets in the amount of $71,882 thousand would result in an increase in other equity - unrealized gain/loss on financial assets at FVTOCI.

As equity investments previously measured at cost under IAS 39 are remeasured at fair value under IFRS 9, the adjustments would result in an increase in financial assets at FVTOCI of $39,817 thousand, an increase in other equity - unrealized gain/loss on financial assets at FVTOCI of $18,567 thousand and an increase in retained earnings of $21,250 thousand on January 1, 2018.

For those equity investments previously classified as available-for-sale financial assets (including measured at cost financial assets) under IAS 39, the impairment losses that the Group had recognized have been accumulated in retained earnings. Since these investments were designated as at FVTOCI under IFRS 9 and no impairment assessment is required, the adjustments would result in a decrease in other equity - unrealized gain/loss on financial assets at FVTOCI of $149,458 thousand and an increase in retained earnings of $77,576 thousand on January 1, 2018.

2) IFRS 15 “Revenue from Contracts with Customers” and related amendments

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers, and supersedes IAS 18 “Revenue”, IAS 11 “Construction Contracts” and a number of revenue-related interpretations. Refer to Note 4 for the related accounting policies.

The Group elects to retrospectively apply IFRS 15 to contracts that are not complete on January 1, 2018 and elects not to restate prior reporting periods with the cumulative effect of the initial application recognized at the date of initial application.

The anticipated impact on assets, liabilities and equity when retrospectively applying IFRS 15 on January 1, 2018 is detailed below:

	Carrying Amount as of December 31, 2017 (IAS 18 and Revenue-related Interpretations)	**Adjustments Arising from Initial Application**	**Carrying Amount as of January 1, 2018 (IFRS 15)**	**Note**
Amounts due from customers for construction contracts	$ 64,295	$ (64,295)	$ -	(2)
Contract assets - current	-	64,295	64,295	(2)
Total effect on assets	$ 64,295	$ -	$ 64,295	
Provisions - current	$ 1,609	$ (1,609)	$ -	(1)
Amounts due to customers for construction contracts	71,963	(71,963)	-	(2)
Receipts in advance	374,623	(236,552)	138,071	(2)
Contract liabilities - current	-	308,515	308,515	(2)
Other current liabilities	98,835	1,609	100,444	(1)
Total effect on liabilities	$ 547,030	$ -	$ 547,030	

(1) Prior to the application of IFRS 15, the Group recognized the estimation of sales returns and allowances as provisions. Under IFRS 15, the Group recognizes such estimation as a refund liability (classified under accrued expenses and other current liabilities).

(2) Currently, the net effect of the progress billings, cost incurred and recognized profit (loss) of a construction contract is recognized as amounts due from (to) customers for construction contracts under IAS 11. Under IFRS 15, the net effect of revenue recognized and consideration received and receivable is recognized as a contract asset or a contract liability.

	December 31, 2018
Decrease in amounts due from customers for construction contracts	$ (96,617)
Increase in contract assets - current	96,617
Increase (decrease) in assets	$ -
Increase in contract liabilities - current	$ 345,252
Decrease in amounts due to customers for construction contracts	(102,876)
Decrease in receipts in advance	(242,376)
Increase (decrease) in liabilities	$ -

b. The Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed by FSC for application starting from 2019

New, Amended or Revised Standards and Interpretations (the "New IFRSs")	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2015-2017 Cycle	January 1, 2019
Amendments to IFRS 9 "Prepayment Features with Negative Compensation"	January 1, 2019 (Note 2)
IFRS 16 "Leases"	January 1, 2019
Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement"	January 1, 2019 (Note 3)
Amendments to IAS 28 "Long-term Interests in Associates and Joint Ventures"	January 1, 2019
IFRIC 23 "Uncertainty over Income Tax Treatments"	January 1, 2019

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 FSC permits the election for early adoption of the amendments starting from 2018.

Note 3: The Group shall apply these amendments to plan amendments, curtailments or settlements occurring on or after January 1, 2019.

1) IFRS 16 "Leases"

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

Definition of a lease

Upon initial application of IFRS 16, the Corporation will elect to apply the guidance of IFRS 16 in determining whether contracts are, or contain, a lease only to contracts entered into. Contracts identified as containing a lease of power facility, which are currently identified as containing a lease under IAS 17 and IFRIC 4, will not meet the definition of a lease under IFRS 16 and will be accounted for in accordance with other standards because the customers do not have the right to direct the use of the identified assets. Contracts that are reassessed as containing a lease will be accounted for in accordance with the transitional provisions under IFRS 16.

The Group as lessee

Upon initial application of IFRS 16, the Group will recognize right-of-use assets or investment properties if the right-of-use assets meet the definition of investment properties and lease liabilities for all leases on the consolidated balance sheets except for those whose payments under low-value and short-term leases will be recognized as expenses on a straight-line basis. On the consolidated statements of comprehensive income, the Group will present the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the consolidated statements of cash flows, cash payments for the interest and principal portions of lease liabilities will be classified within financing activities. Currently, payments under operating lease contracts, including property interest qualified as investment properties, are recognized as expenses on a straight-line basis. Cash flows for operating leases are classified within operating activities on the consolidated statements of cash flows.

The Group anticipates applying IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized on January 1, 2019. Comparative information will not be restated.

Lease liabilities will be recognized on January 1, 2019 for leases currently classified as operating leases with the application of IAS 17. Lease liabilities will be measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on January 1, 2019. Except for the following practical expedients which are to be applied, the Group will apply IAS 36 to all right-of-use assets.

The Group expects to apply the following practical expedients:

a) The Group will apply a single discount rate to a portfolio of leases with reasonably similar characteristics to measure lease liabilities.

b) The Group will account for those leases for which the lease term ends on or before December 31, 2019 as short-term leases.

c) The Group will exclude initial direct costs from the measurement of right-of-use assets on January 1, 2019.

d) The Group will use hindsight, such as in determining lease terms, to measure lease liabilities.

For leases currently classified as finance leases under IAS 17, the carrying amount of right-of-use assets and lease liabilities on January 1, 2019 will be determined as the carrying amount of the leased assets and finance lease payables as of December 31, 2018.

The Group as lessor

The Group will not make any adjustments for leases in which it is a lessor and will account for those leases with the application of IFRS 16 starting from January 1, 2019.

Impact on assets, liabilities and equity on January 1, 2019

	Carrying Amount as of December 31, 2018	Adjustments Arising from Initial Application	Adjusted Carrying Amount as of January 1, 2019
Lease receivable- current	$ 273,941	$ (273,242)	$ 699
Lease receivable - non-current	5,352,933	(5,316,9165)	36,018
Account Receivable	2,444,971	95,601	2,540,572
Investment accounted for using the equity method	2,381,220	(9,964)	2,371,256
Property, Plant and Equipment	20,056,530	5,162,978	25,219,508
Right of Use Asset	-	921,223	921,223
Total effect on assets	$ 30,509,595	$ 579,681	$ 31,089,276
Lease liabilities - current	$ -	$ 921,223	$ 921,223
Total effect on liabilities	$ -	$ 921,223	$ 921,223
Retained Earnings	$ (369,468)	$ (306,410)	$ (675,878)
Non-Controlling Interests	897,999	(34,173)	863,826
Other Equity	(873,443)	(959)	(874,402)
Total effect on equity	$ (344,912)	$ (341,542)	$ (686,454)

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

c.New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 3 "Definition of a Business"	January 1, 2020 (Note 2)
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 17 "Insurance Contracts"	January 1, 2021
Amendments to IAS 1 and IAS 8 "Definition of Material"	January 1, 2020 (Note 3)

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 Group shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

Note 3: The Group shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

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

The amendments stipulate 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 the Group 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 Group's interest as an unrelated investor in the associate or joint venture, i.e. the Group's share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or joint venture, i.e. the Group's share of the gain or loss is eliminated.

2) Amendments to IFRS 3 "Definition of a Business"

The amendments clarify that, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process applied to the input that together significantly contribute to the ability to create outputs. The amendments narrow the definitions of outputs by focusing on goods and services provided to customers, and the reference to an ability to reduce costs is removed. Moreover, the amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs.

In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group'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 IFRSs as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within twelve months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within twelve months after the reporting period; and

3) Liabilities for which the Corporation does not have an unconditional right to defer settlement for at least twelve months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d.Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and the entities controlled by the Group (i.e. its subsidiaries, including structured entities). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of NSP and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group's losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under the cost on initial recognition of an investment in an associate.

See Note 18 and Table 7 following the Notes for the detailed information of subsidiaries, including the percentage of ownership and the main business of the subsidiaries.

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as incurred.

Goodwill is measured as the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree in excess of the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held interests in the acquiree, the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation may be initially measured at fair value. Other types of non-controlling interests are measured at fair value.

When a business combination is achieved in stages, the Group’s previously held equity interest in an acquiree is remeasured to fair value at the acquisition date, and the resulting gain or loss is recognized in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

f. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity’s functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period. When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For purposes of presenting consolidated financial statements, the assets and liabilities of the Corporation’s foreign operations (including subsidiaries, associates, joint ventures and branches in other countries that use a currency different from the currency of the Group) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising are recognized in other comprehensive income and attributed to the owners of the Group and non-controlling interests as appropriate.

In relation to a partial disposal of a subsidiary that results in the Corporation losing control over the subsidiary, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

g. Inventories

Inventories consist of raw materials, supplies, work-in-process, finished goods and construction in progress. Inventory are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at standard cost and adjusted to approximate weighted-average cost on the balance sheet date.

h. Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and is neither a subsidiary nor an interest in a joint venture. A joint venture is a joint arrangement whereby the Corporation and other parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group uses the equity method to account for its investments in associates and joint ventures.

Under the equity method, investments in an associate and a joint venture are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate and joint venture. The Group also recognizes the changes in the Group's share of equity of associates and joint venture attributable to the Group.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate or a joint venture at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

If the fair value measurement of the identifiable assets and liabilities for associates and joint ventures is incomplete by the end of the reporting period in which the investment occurs, the Corporation reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, to reflect new information obtained about facts and circumstances that existed as of the investment date that, if known, would have affected the amounts recognized as of that date.

When the Group subscribes for additional new shares of the associate and joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate and joint venture. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in the Group's share of equity of associates and joint ventures, and the investment is accounted for using the equity method. If the Group's ownership interest is reduced due to the additional subscription of the new shares of associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from the investment accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate and a joint venture equals or exceeds its interest in that associate and joint venture (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate and joint venture), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate and joint venture.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate and a joint venture. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate and the joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate and the joint venture. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate and the joint venture on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

When a Group entity transacts with its associate and joint venture, profits and losses resulting from the transactions with the associate and joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate and joint venture that are not related to the Group.

i. Property, plant, and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss.

Properties under construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. These properties are depreciated and classified to the appropriate categories of property, plant and equipment when they are completed and ready for their intended use.

Depreciation is recognized using the straight-line method. Each significant part is depreciated separately. If the lease term is shorter than the useful lives, assets are depreciated over the lease term. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

j. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGU) or groups of cash-generating units (referred to as cash-generating units) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributable goodwill, with its recoverable amount. However, if the goodwill allocated to a CGU is acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first, to reduce the carrying amount of any goodwill allocated to the unit and then, to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill should not be reversed in subsequent periods.

If goodwill has been allocated to a CGU and the entity disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal.

k.Intangible assets

1) Intangible assets acquired in a business combination

   Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are reported at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

2) Derecognition of intangible assets

   On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

l. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. The Group assets are allocated to the smallest group of CGUs on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is reversed, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

m. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sales transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Recognition of depreciation of those assets would cease.

n. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a settlement date basis.

a) Measurement category

<u>2018</u>

The group classified its financial assets into the following categories: financial asset at FVTPL, financial assets at amortized cost and equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 41.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost and financial liability with no active market are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Cash equivalents include time deposits, which are highly liquid, readily convertible to a known amount of cash. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2017

Financial assets are classified into the following categories: Financial assets at FVTPL, available-for-sale financial assets and loans and receivables.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are either held for trading or designated as at FVTPL.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 41.

ii. Available-for-sale financial assets

Available-for-sale (AFS) financial assets are non-derivatives that either are designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

AFS financial assets are measured at fair value. Dividends on AFS equity investments are recognized in profit or loss. Other changes in the carrying amounts of AFS financial assets are recognized in other comprehensive income and accumulated under other equity - unrealized gains (losses) on available-for-sale financial assets. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the other equity - unrealized gains (losses) on available-for-sale financial assets is reclassified to profit or loss.

Dividends on AFS equity instruments are recognized in profit or loss when the Corporation's right to receive the dividends is established.

AFS equity investments with no quoted market prices in an active market and with fair values that cannot be reliably measured are measured at cost less any identified impairment loss at the end of each reporting period and are recognized in a separate line item as financial assets carried at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between the carrying amount and the fair value is recognized in other comprehensive income. Any impairment losses are recognized in profit or loss.

iii. Loans and receivables

Loans and receivables (including notes and accounts receivable, cash and cash equivalents and debt investments with no active market) are measured at amortized cost using the effective interest method, less any impairment, except for short-term receivables when the effect of discounting is immaterial.

Cash equivalents include time deposits that are highly liquid, readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets and contract asset

<u>2018</u>

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), investments in debt instruments that are measured at FVTOCI, lease receivables, as well as contract assets.

The Group always recognizes lifetime expected credit losses (i.e. ECLs) for trade receivables, lease receivables and contract assets. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of such a financial asset.

2017

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, such as trade receivables, assets are collectively assessed for impairment even if they were assessed as not impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Corporation's past experience in collecting payments and an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets measured at amortized cost, if the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

i. Significant financial difficulty of the issuer or counterparty; or

ii. Breach of contract, such as a default or delinquency in interest or principal payments; or

iii. It becoming probable that the borrower will undergo bankruptcy or financial reorganization; or

iv. The disappearance of an active market for that financial asset because of financial difficulties.

When an AFS financial asset is considered impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

For AFS equity securities, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated under unrealized gains or losses.

For financial assets that are carried at cost, impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. This impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets, with the exception of trade receivables and other receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable and other receivables are considered uncollectable, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss, except for uncollectable trade receivables and other receivables that are written off against the allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Before 2017, on derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss. Starting from 2018, on derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Group are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Corporation's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Corporation's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except in the following situation, all the financial liabilities are measured at amortized cost using the effective interest method:

i. Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is held for trading.

Financial liabilities held for trading are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any interest or dividend paid on the financial liability. Fair value is determined in the manner described in Note 41.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid is recognized in profit or loss.

4) Convertible bonds

The conversion options component of the convertible bonds issued by the Group that is settled other than by the exchange of a fixed amount of cash or other financial asset for a fixed number of the Corporation's own equity instruments is classified as derivative financial liabilities.

On initial recognition, the derivative financial liabilities component of the convertible bonds is recognized at fair value, and the initial carrying amount of the component of non-derivative financial liabilities is determined by deducting the amount of derivative financial liabilities from the fair value of the hybrid instrument as a whole. In subsequent periods, the non-derivative financial liabilities component of the convertible bonds is measured at amortized cost using the effective interest method. The derivative financial liabilities component is measured at fair value and the changes in fair value are recognized in profit or loss.

Transaction costs that relate to the issue of the convertible bonds are allocated to the derivative financial liabilities component and the non-derivative financial liabilities component in proportion to their relative fair values. Transaction costs relating to the derivative financial liabilities component are recognized immediately in profit or loss. Transaction costs relating to the non-derivative financial liabilities component are included in the carrying amount of the liability component.

5) Derivative financial instruments

The Group enters into foreign exchange forward contracts and to manage its exposure to foreign exchange rate and interest rate risks.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately, but if the derivative is designated and effective as a hedging instrument, the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; otherwise, the derivative is recognized as a financial liability.

Before 2017, derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, such that their risks and characteristics are not closely related to those of the hybrid contracts and the contracts are not measured at fair value through profit or loss. Starting from 2018, derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

o.Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

The warranty of obligations products that meet the eligibility criteria are recognized at the date of sale of the relevant products and at the Group management's best estimate of the expenditure required to settle the obligations.

p.Revenue recognition

2018

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

For contracts where the period between the date on which the Group transfers a promised good or service to a customer and the date on which the customer pays for that good or service is one year or less, the Group does not adjust the promised amount of consideration for the effects of a significant financing component.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of solar cell, modules and power facilities construction. Sales of solar cell, modules and electric power plants are recognized as revenue when the goods are delivered to the customer's specific location to fulfill contractual obligation.

Revenue from the sale of goods is measured at the fair value of the consideration receive or receivable, which states net of discounts and other similar sales returns and allowances. In consideration of historical experience and other factors related to contract conditions, the Group recognizes such sales returns and allowances as contract liabilities shown in the consolidated balance sheet as other current liabilities.

If there is a need to cut or remove material before processing, such processed products do not transfer substantially all the risks and rewards to the customer, thus revenue can not be recognized.

2) Construction contract revenue

Customers provide construction contract with specifications while they are construction in progress, and thus, the Group recognizes revenue over time. The Group measures the progress on the basis of costs incurred relative to the total expected costs as there is a direct relationship between the costs incurred and the progress of satisfying the performance obligations. Contract assets are recognized during the construction and are reclassified to trade receivables at the point at which the customer is invoiced. If the milestone payments exceed the revenue recognized to date, then the Group recognizes contract liabilities for the difference. Certain payments, which are retained by the customer as specified in the contract, are intended to ensure that the Group adequately completes all of its contractual obligations. Such retention receivables are recognized as contract assets until the Group satisfies its performance obligations.

When Contractual obligation cannot be estimated reliably, revenue is recognized only to the extent of contract costs incurred that is probable to be recoverable.

3) Revenue from the sale of power facilities construction

Revenue is recognized from the sale of solar energy power plant. Revenue from the sale of electric power plants is recognized as a sale when customer obtains control over the assets to fulfill contractual obligation.

4) Processing revenue

Revenue is recognized from providing process of solar cells services to customers. Processing revenue is recognized as a sale when customer obtains control over the assets to fulfill contractual obligation.

5) Services revenue

Service revenue is recognized when services are provided.

6) Electricity revenue

Electricity charges are calculated based on the actual amount of consumption at applicable rates.

2017

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Allowances for sales returns and allowance and liability for returns are recognized at the time of sale based on the seller's reliable estimate of future returns and based on past experience and other relevant factors.

1) Sale of goods

Revenue from the sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

a) The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

b) The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

c) The amount of revenue can be measured reliably;

d) It is probable that the economic benefits associated with the transaction will flow to the Group; and

e) The costs incurred or to be incurred can be measured reliably.

The Group does not recognize sales revenue on materials delivered to subcontractors because this delivery does not involve a transfer of risks and rewards of the materials' ownership.

2) Revenue from the sale of power facilities construction

The revenue from the sale of power facilities is recognized in accordance with IAS 18 "Revenue".

3) Rendering of services

Service income is recognized when services are provided.

4) Construction contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred to date relative to the estimated total contract costs. Variations in contract work and claims and incentive payments are included to the extent the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed the total contract revenue, the expected loss is recognized as an expense immediately.

When contract costs incurred to date plus recognized profits less recognized deficits exceed progress billings, the surplus is shown as the gross amount due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognized profits less recognized deficits, the surplus is shown as the gross amount due to customers for contract work. Amounts received before the related work is performed are included in the consolidated balance sheet as a liability under other current liabilities. Amounts billed for work performed but not yet paid by the customer are included in the consolidated balance sheet under trade receivables.

5) Electricity charges are calculated based on the actual amount of consumption at applicable rates.

6) Dividend and interest income

Dividend income from investments is recognized when the Group's right to receive payment has been established and if it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued over time by reference to the principal outstanding and the effective interest rate applicable.

q.Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Because the

Group entered into several electricity purchase agreements which were covered by IFRIC 4 “Determining Whether an Arrangement Contains a Lease”, they were accounted for as finance leases.

1) The Group as lessor

   Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group’s net investment outstanding in respect of the leases.

   Rental income from operating leases is recognized on a straight-line basis over the term of the lease.

2) The Group as lessee

   Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

r. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalization.

Other than the situations stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

s. Government grants

Government grants are recognized when there is reasonable assurance that the Group will comply with the conditions attached to and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate.

Government grants receivable as compensation for expenses or losses already incurred or for immediate financial support, with no future related costs, are recognized as other income in profit or loss in the period in which they become receivable.

t. Employee benefits

1) Short-term employee benefits

   Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

   Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

u. Share-based payment arrangements (Employee share options)

1) Employee share options and restricted shares for employees

   The fair values at the grant date of the employee share options and restricted shares for employees are expensed on a straight-line basis over the vesting period, based on the Group’s best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options and other equity - unearned employee benefits. The whole amount of benefit is recognized as an expense at the grant date if vested immediately.

   When restricted shares for employees are issued, other equity - unearned employee benefits is recognized at the grant date, with a corresponding increase in capital surplus - restricted shares for employees. If restricted shares for employees are granted for consideration, and should be returned, they are recognized as payables. Dividends paid to employees on the restricted shares that do not need to be returned if employees resign in the vesting period, are recognized as expenses when the dividends are declared with a corresponding adjustment in retained earnings and capital surplus - restricted shares for employees.

   At the end of each reporting period, the Group revises its estimate of the number of employee share options and restricted shares for employees expected to vest. The impact of the revision of the original estimate is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to capital surplus - employee share options or capital surplus - restricted shares of employees.

2) Share-based payment transactions of the acquiree in a business combination

When the share-based payment awards held by the employees of an acquiree (acquiree awards) are replaced by the Group's share-based payment awards (replacement awards), both the acquiree awards and the replacement awards are measured in accordance with the market-based measure at the acquisition date. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals the market-based measure of the acquiree awards multiplied by the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the acquiree award. The market-based measure of the replacement awards in excess of the market-based measure of the acquiree awards included in measuring the consideration transferred is recognized as a remuneration cost for post-combination service.

v.Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Based on the Income Tax Law, an additional tax at 10% of unappropriated earnings is provided for as income tax in the year the shareholders approve the retention of earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be used.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and in associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to use the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the Group's expectations, at the end of the reporting period, as to the manner by which the carrying amount of its assets and liabilities will be recovered or settled.

3) Current and deferred tax for the year

Current and deferred taxes are recognized in profit or loss, but when these taxes pertain to items that are recognized in other comprehensive income or directly in equity, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

In the application of the Group’s accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a. Business model assessment for financial assets - 2018

The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment about all relevant evidence including how the performance of the assets is evaluated, the risks that affect the performance of the assets and how these are managed, and how the managers of the assets are compensated. The Group monitors financial assets measured at amortized cost or at fair value through other comprehensive income, and when assets are derecognized prior to their maturity, the Group understands the reasons for their disposal and whether the reasons are consistent with the objective of the business for which the assets were held. Monitoring is part of the Group’s continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and, if it is not appropriate, whether there has been a change in the business model such that a prospective change to the classification of those assets is proper.

b. Estimated impairment of financial assets - 2018

The provision for impairment of trade receivables, investments in debt instruments, and financial guarantee contracts is based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group’s historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Note 9 and 13. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

c. Write-down of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale. The estimation of the net realizable value was based on current market conditions and historical experience with selling products of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

d. Useful lives of property, plant and equipment

As described in Note 4(i) above, the Group reviews the estimated useful lives of property, plant and equipment at each balance sheet date. Based on an evaluation report by China Property Appraising Co., Ltd., which used industry meta-analysis, functional analysis and economic analysis, the actual useful lives of the NSP's equipment exceeded their original useful lives. Management thus determined that the useful lives of some machinery and equipment should be extended from 6 years to 8 or 11 years beginning from April 1, 2013.

e. Estimated impairment of assets other than goodwill

In assessing assets for impairment, income and expenses that may occur in the future, assets' useful lives, and independent cash flows for the particular asset group are based on subjective judgment in accordance with the asset's usage patterns and the industrial characteristics. Any change in the economic condition or in the estimation due to the Group's strategy may lead to a material impairment loss in the future.

f. Assessment of impairment losses on prepayments of long-term purchase contract

To ensure the stability of the supply of raw materials in the manufacturing process, the Group entered into several long-term materials supply agreements and made certain prepayments for later purchase deductions. The purchase prices were negotiated between the parties of the contracts, and the purchase quantities of materials depend on the provisions of the contracts in addition to the operations of the supplier. The Group assesses if the prepayment is impaired, when the deduction of prepayments slow down. If the operations and financial positions of suppliers deteriorate and they cannot provide a stable supply, if adverse changes in the supply and demand of the market cause the actual purchase volume to be insufficient, and if the raw material prices decline, this may indicate an impairment of the prepayments.

g. Income taxes

The realizability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available. If the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal takes place.

h. Finance lease receivables

In assessing the amounts of finance lease receivables and revenue, management should consider the estimation of the Group's future cash flows and the discount rate used to determine the present value of minimum lease payments. Relevant assumptions include the expected operating rate of certain power-generating facilities and the economic lives and recoverable residual value of these facilities. If actual future cash flows are less than expected, a material impairment loss may arise. For further disclosures of finance lease receivables, refer to Note 14.

i. Assessment of bargain purchase gain

The fair value assessment of the acquisition-date assets and liabilities and the amount of the bargain purchase gain were based on the purchase price allocation report. The impact of the recognition of bargain purchase gain due to the adopted method and assumptions which involve the use of critical accounting judgements and estimations. For further disclosures of assessment of bargain purchase gain, refer to Note 35.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2018	**2017**
Demand deposits	$ 9,080,667	$ 3,960,746
Checking accounts	121,377	96,059
Cash on hand	1,000	1,135
Cash equivalents		
Bank acceptances	-	10,932
Time deposits	328,785	361,755
Repurchase agreements collateralized by bonds	24,016	-
	$ 9,555,845	$ 4,430,627

The market rate intervals of cash in the bank at the end of the reporting period were as follows:

	December 31	
	2018	**2017**
Bank deposits	0%-1.89%	0%-1.82%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2018	**2017**
Financial assets at FVTPL - current		
Financial assets held for trading		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts (a)	$ -	$ 106
Financial assets at FVTPL - non-current		
Financial assets held for trading		
Derivative financial assets (not under hedge accounting)		
Put options (b)	$ -	$ 23,647
Long call options (c)	243,130	117,840
	$ 243,130	$ 141,514

(Continued)

	December 31	
	2018	2017
Financial liabilities at FVTPL- current		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts (a)	$ -	$ 5,742
Financial liabilities at FVTPL- non-current		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Short put options (d)	$ 191,790	$ 94,014

(Concluded)

a. 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)
December 31, 2017			
Buy	Buy USD/Sell NTD	January 29, 2018	USD 6,000/NTD 178,620
Buy	Buy USD/Sell NTD	January 29, 2018	USD 4,000/NTD 119,080
Buy	Buy USD/Sell NTD	March 1, 2018	USD 5,000/NTD 148,775
Buy	Buy USD/Sell NTD	March 14, 2018	USD 5,000/NTD 149,200
Sell	Sell GBP/Buy USD	February 21, 2018	GBP 5,000/USD 6,710
Sell	Sell GBP/Buy USD	February 22, 2018	GBP 4,000/USD 5,372
Sell	Sell EUR/Buy USD	February 27, 2018	EUR 3,000/USD 3,574
Sell	Sell EUR/Buy USD	February 27, 2018	EUR 3,000/USD 3,575
Sell	Sell GBP/Buy USD	February 28, 2018	GBP 2,000/USD 2,684
Buy	Sell GBP/Buy USD	February 27, 2018	GBP 3,000/USD 4,046

The Corporation entered into derivative transactions during 2017 to manage exposures of assets and liabilities denominated in foreign currency related to exchange rate changes.

b. Put options

The Corporation entered into equity purchase agreements with Clean Focus Yield Limited ("CFY") with the right of redemption, in which the Corporation may require CFY to redeem all of its shares with certain conditions, and the Corporation's board of directors approved to waive the right of put options on March 20, 2018.

c. Long call options

As stated in Note 24 (d), GES MEGASIXTEEN, LLC ("MEGASIXTEEN") was set up for the purpose of tax deductions, and MEGASIXTEEN expects to have a higher of fair value or 5.5% return of the investment from MPC AC 2017 Energy Fund, LLC ("MPC") from the flip date (December 2022). The agreement is subject to non-controlling equity interests should MPC purchase the rights to buy back all of the Class A shares issued by GES AC SOLAR 2017, LLC ("GES AC").

As stated in Note 24 (d), TEV Solar Alpha 18 (“TEV Solar”) was set up for the purpose of tax deductions, and TEV Solar expects the return on the investment in Advantage Capital Solar Partners II, LLC (“ACS”) to be at the higher of fair value or 7% of the capital injection of ACS, starting from the flip date (June 2024). The agreement is subject to stipulations on non-controlling equity interests should ACS purchase the rights to buy back all of the Class A shares issued by AC GES Solar 2018 LLC (“AC GES Solar”)

d.Short put options

As stated in Note 24 (c), MEGASIXTEEN's borrower, Indiana Municipal Power Agency (“IMPA”), has agreed that it will execute the right to buy back all of the equity (Class A and B shares) of GES AC from the flip date.

As stated in Note 24 (c), TEV II's borrower, IMPA, has agreed that it will execute the right to buy back all of the equity (Class A and B shares) of AC GES Solar from the flip date.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - 2018

	December 31, 2018
Current	
Domestic investments	
Domestic quoted shares	
CTCI Corporation (“CTCI”)	$ 133,333
Non-current	
Domestic investments	
Domestic quoted shares	
Sino-American Silicon Products Inc. (“SAS”)	$ 1,337,855
ThinTech Materials Technology Co., Ltd. (“TTMC”)	122,292
Unlisted ordinary shares	
EXOJET Technology Corporation (“EXOJET”)	45,962
Top Green Energy Technologies Inc.(“TGET”)	27,098
Taiwan Special Chemicals Corporation(“TSCC”)	18,601
NTNU Innovation Investment Holding Company(“NTNU”)	2,000
	1,553,808
Overseas investments	
Unlisted ordinary shares	
ASIA GLOBAL VENTURE CAPITAL CO., LTD	22,137
SUN APPENNINO CORPORATION	19,338
TG ENERGY SOLUTIONS LLC	615
FICUS CAPITAL CORPORATION	-
	42,090
	$ 1,595,898

The Group invested in corporation mentioned above for long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes. These investments in equity instruments were classified as available-for-sale under IAS 39. Refer to Notes 3, 10 and 11 for information relating to their reclassification and comparative information for 2017.

As of December 31, 2018, the carrying amount of the Group's investment in TTMC's private-placement shares amounted to $115,920 thousand; under Article 43-8 of the Securities and Exchange Act, there is a legally enforceable restriction on private-placement shares, which prevents their trading.

Refer to Note 43 for the amount of investments in equity instruments at FVTOCI pledged by the Group to secure borrowings.

9. FINANCIAL ASSETS AT AMORTIZED COST - 2018

	December 31, 2018
Non-current	
Overseas investment	
Puttable preference shares (C-Shares III) - Phanes Holding Inc. (Phanes Holding)	$ 153,700
Less: Allowance for impairment loss	-
	$ 153,700

The subsidiary, General Energy Solutions (GES), received contractual cash flows as a result of holding the financial asset to maturity, and the cash flows received were solely payments of principal and interest on the principal amount outstanding and were classified under "Financial assets at amortized cost" since January 1, 2018.

Phanes Holding, a project developer, is an overseas unlisted company. The subsidiary, GES, has successfully built several power facilities in the UK and the Dominican Republic through the cooperative relationship with Phanes. In order to build a long-term cooperative strategic relationship with Phanes, the subsidiary, GES, subscribed for the following preference shares issued by Phanes at par:

Five-year puttable preference shares (C-Shares III) for 24,000 shares amounting to USD5,000 thousand for 100% interest.

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

For the year ended December 31, 2018, the interest income of puttable preference shares amounted to $11,487 thousand. The related interest receivable, classified as other receivables from related parties, amounted to $10,759 thousand at December 31, 2018.

As of December 31, 2018, financial assets at amortized cost owned by GES had not been pledged as security.

The Group only invests in debt instruments that are rated the equivalent of investment grade or higher and have low credit risk for the purpose of impairment assessment. The Group's exposure and the external credit ratings are continuously monitored. The Group reviews changes in other public information and makes an assessment about whether there has been a significant increase in credit risk since the last period to the reporting date.

The Group considers the current financial condition of debtors and industry forecasts to estimate 12-month or lifetime expected credit losses. The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for Recognizing Expected Credit Losses	Expected Loss Rate	Gross Carrying Amount at December 31, 2018
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12-month ECLs	-	$ 153,700

10. AVAILABLE-FOR-SALE FINANCIAL ASSETS - 2017

	December 31, 2017
Non-current	
Domestic quoted shares	
ThinTech Materials Technology Co., Ltd. ("TTMC")	$ 109,065

As of December 31, 2017, the carrying amount of the Corporation's investment in TTMC's private-placement shares amounted to $103,250 thousand. 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 that which is stated above, the AFS financial assets have not been pledged as security or for other purposes.

11. FINANCIAL ASSETS CARRIED AT COST - 2017

	December 31, 2017
Non-current	
Domestic quoted shares	
EXOJET Technology Corporation ("EXOJET")	$ 30,100
Overseas unlisted common shares	
SUN APPENNINO CORPORATION	22,590
FICUS CAPITAL CORPORATION	1,259
TG ENERGY SOLUTIONS LLC	597
	$ 54,546

(Continued)

	December 31, 2017
Non-current	
Classified according to financial asset measurement categories	
Available-for-sale financial assets	$ 54,546

(Concluded)

Management believed that the above unlisted equity investments held by the Corporation had fair values that could not be reliably measured because the range of reasonable fair value estimates was significant; thus, these investments were measured at cost less impairment at the end of the reporting period.

The financial assets carried at cost have not been pledged as security or for other purposes.

12. DEBT INVESTMENTS WITH NO ACTIVE MARKET - 2017

	December 31, 2017
Puttable preference shares (C-Share II) - Phanes Holding Inc. (Phanes Holding)	$ -
Puttable preference shares (C-Shares III) - Phanes Holding Inc. (Phanes Holding)	149,240
	149,240
Less: Current portion	-
	$ 149,240

Phanes Holding Inc. (Phanes), a project developer, is an overseas unlisted company. The subsidiary, General Energy Solutions (GES), has successfully built several power facilities in the UK and the Dominican Republic through the cooperative relationship with Phanes. In order to build a long-term cooperative strategic relationship with Phanes, the subsidiary, GES, subscribed for the following preference shares issued by Phanes at par:

a. Two-year puttable preference shares (C-Shares II) for 4,500 shares amounting to US$4,500 thousand for 100% interest

b. Five-year puttable preference shares (C-Shares III) for 24,000 shares amounting to US$5,000 thousand for 100% interest

The above preference shares carried no voting rights and no dividend rights but carried preferential rights on dividends specified at 7% of the par value. The preference shares can be redeemed prior to or later than the maturity date under the agreement between GES and Phanes. The above current portion has been classified as a current asset. The aforesaid preference shares (C-Shares II) was redeemed in October 2017.

For the year ended of December 31, 2017, the interest income of puttable preference shares amounted to $19,090 thousand ; interest receivable amounted to $10,790 thousand, and was classified as other receivables from related parties.

Both debt investments, both with no active market, had not been pledged as security as of December 31, 2017.

13. NOTES AND ACCOUNTS RECEIVABLE, INSTALLMENT ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	December 31	
	2018	2017
Notes and accounts receivable		
Notes and accounts receivable	$ 3,106,896	$ 1,916,351
Accounts receivable from related parties	554,452	170,506
Less: Allowance for impairment loss	(622,654)	(616,275)
	$ 3,038,694	$ 1,470,582
Other receivables		
Other receivables from related parties	$ 1,103,134	$ 1,960,590
Sales tax refund receivable	97,454	8,908
Others	120,362	90,718
Less: Allowance for impairment loss	(8,400)	-
	$ 1,312,550	$ 2,060,216

a. Notes and accounts receivable

2018

The credit periods for the sale of goods were (a) 30 to 90 days after the end of the month; (b) 7 to 150 days from the invoice date; and (c) 45 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 order to minimize credit risk, the management of the Group 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 Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group’s credit risk was significantly reduced.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor’s current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the Group’s historical credit loss experience shows significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is further distinguished according to the Group’s different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group’s provision matrix.

December 31, 2018

	Not Past Due	Less Than or Equal to 30 Days	31 to 60 Days	61 to 90 Days	91 to 120 Days	121 to 150 Days	151 to 180 Days	Over 180 Days	Signs of Counterparty Default	Total
Expected credit loss rate	0%-0.02%	0%-0.10%	0%-2.84%	0%-15.92%	0%-29.08%	0%-31.85%	0%-26.15%	0%-100%	100%	
Gross carrying amount	$ 1,840,553	$ 339,031	$ 262,859	$ 84,684	$ 59,070	$ 79,493	$ 4,060	$ 397,230	$ 594,368	$ 3,661,348
Loss allowance (Lifetime ECL)	(49)	(65)	(1,679)	(923)	(2,684)	(22,741)	(145)	-	(594,368)	(622,654)
Amortized cost	$ 1,840,504	$ 338,966	$ 261,180	$ 83,761	$ 56,386	$ 56,752	$ 3,915	$ 397,230	$ -	$ 3,038,694

The movements of the loss allowance of trade receivables are as follows:

	2018
Balance at January 1, 2018 per IAS 39	$ 616,275
Adjustment on initial application of IFRS 9	-
Balance at January 1, 2018 per IFRS 9	616,275
Add: Impairment losses	34,003
Less: Amounts written off	(23,506)
Foreign exchange gains and losses	(4,118)
Balance at December 30, 2018	$ 622,654

2017

The Group applied the same credit policy in 2018 and 2017. In determining the recoverability of accounts receivable, the Group 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 the irrecoverable amounts estimated through aging analyses, reference to past default of the counterparties and an assessment of the counterparties' current financial positions.

For the accounts receivable that were past due at the end of the reporting period, the Group 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 Group had obtained proper collateral or other credit enhancements for these receivables. As of December 31, 2017, the amounts of collateral or other credit enhancements for these receivables were $10,950 thousand. The Group had no legal right to offset the receivables against any amounts owed by the Group to the counterparties.

The aging of receivables is as follows:

	December 31, 2017
Up to 60 days	$ 1,465,637
61-90 days	-
91-120 days	-
More than 120 days	621,220
Total	$ 2,086,857

The above analysis was based on the past-due date from the end of the credit term.

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

	December 31, 2017
Up to 60 days	$ 104,075
61-90 days	-
91-120 days	
More than 120 days	4,946
Total	$ 109,021

The above analysis was based on the past due date from the end of the credit term.

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

	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2017	$ 545,710	$ -	$ 545,710
Impairment loss recognized on receivables	78,222	-	78,222
Amount transferred from disposal of subsidiaries	(2,126)	-	(2,126)
Amounts written off	(102)	-	(102)
Translation adjustments	(5,429)	-	(5,429)
Balance at December 31, 2017	$ 616,275	$ -	$ 616,275

The allowance for impairment loss included individually impaired accounts receivable amounting to $616,275 thousand as of December 31, 2017. These amounts relate to the Group's risk control process involving customers with tight cash flows. The impairment recognized represents the difference between the carrying amount of these accounts receivable and the present value of the expected proceeds received from liquidation. The Group did not hold any collateral on these impaired receivables.

b. Other receivables

2018

The credit period was 60 days after the end of the month.

In order to minimize credit risk, the management of the Group 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 Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

Loss allowance of finance lease receivables was estimated at the reporting date. For those with credit risk that did not increase significantly since initial recognition, 12-month ECL was applied; for those with credit risk that increased significantly since initial recognition, lifetime ECL was applied.
The aging of other receivables is as follows:

	December 31, 2018
Up to 60 days	$ 1,187,546
61-90 days	398
91-120 days	6,570
More than 120 days	126,436
Total	$ 1,320,950

The aging of other receivables that were impaired is as follows:

	December 31, 2018
Up to 60 days	$ 8,400
61-90 days	-
91-120 days	-
More than 120 days	-
Total	$ 8,400

The above analysis is based on the past-due date from the end of the credit term.

The movements of the loss allowance of other receivables are as follows:

	2018
Balance at January 1, 2018 per IAS 39	$ -
Adjustment on initial application of IFRS 9	-
Balance at January 1, 2018 per IFRS 9	-
Add: Impairment losses	8,400
Balance at December 31, 2018	$ 8,400

2017

The credit period was 60 days after the end of the month. The allowance for impairment loss was recognized on the basis of estimated irrecoverable amounts determined by an aging analysis, reference to past default experiences of the counterparties and an assessment of the counterparties' current financial positions.

The status of other receivables at the end of the reporting period is presented in the following table.

	December 31, 2017
Neither past due nor impaired	$ 1,976,109
Past due but not impaired - 61 days to 90 days	89
Past due but not impaired - 91 days to 120 days	61
Past due but not impaired - more than 120 days	83,957
Both past due and impaired - more than 120 days	-
Total	$ 2,060,216

The above analysis is based on the past due date from the end of the credit term.

	Collateral	Interest Rate	December 31 2018	December 31 2017
Fixed rate NTD-denominated loans receivables at NTD200,000 thousand	$ -	1.608%	$ 200,000	$ -
Fixed rate USD-denominated loans receivables at USD3,500 thousand (1)	-	5%	107,590	358,176
			$ 307,590	$ 358,176

1) The repayments of USD8,500 thousand were received in 2018, and the remaining principal is expected to be received in full on the maturity date.

14. FINANCE LEASE RECEIVABLES

	December 31 2018	December 31 2017
Gross investment in leases		
Not later than 1 year	$ 714,190	$ 564,638
Over 1 year to 5 years	2,476,238	1,997,752
Later than 5 years	7,868,447	6,193,761
	11,058,875	8,756,151
Less: Unearned finance income	(5,432,001)	(4,762,362)
Present value of minimum lease payments	$ 5,626,874	$ 3,993,789

The Group entered into several electricity purchase agreements (refer to Note 44) for the Group to sell all electricity to Corporación Dominicana de Empresas Eléctricas Estatales, Taiwan Power Company, Good Energy Limited, Indianapolis Power & Light Company and DP World FZE, etc. after the electric generating facilities are operating with the 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 leases.

The interest rate inherent in the leases was fixed at the contract date for the entire lease term. The effective interest rate contracted was 1.234% to 14.279% per annum.

The amounts of finance lease receivables pledged as collateral for bank loans are shown in Note 43.

Loss allowance of finance lease receivables was estimated at the reporting date. For those with credit risk that did not increase significantly since initial recognition, 12-month ECL was applied; for those with credit risk that increased significantly since initial recognition, lifetime ECL was applied. As of December 31, 2018, no finance lease receivable was past due. The Group has not recognized any loss allowance for finance lease receivables after considering historical experience, industry forecasts and the collaterals.

The finance lease receivables as of December 31, 2018 and 2017 were neither past due nor impaired.

The Group derecognized lease receivable as of December 31, 2018 and 2017 in $771,348 thousand and $1,306,805 thousand because of disposal of subsidiaries.

15. AMOUNTS DUE FROM (TO) CUSTOMERS FOR CONSTRUCTION CONTRACTS

December 31,

	2017
Amounts due from customers for construction contracts	
Construction costs incurred plus recognized profits less recognized losses to date	$ 465,894
Less: Progress billings	(401,599)
Amounts due from customers for construction contracts	$ 64,295
Amounts due to customers for construction contracts	
Progress billings	$ 211,861
Less: Construction costs incurred plus recognized profits less recognized losses to date	(139,898)
Amounts due to customers for construction contracts	$ 71,963

For the year ended December 31, 2017, the Group recognized construction revenue of $605,792 thousand.

The Group adopted IFRS 15 since 2018. The net effect of revenue recognized, consideration received and receivable are recognized as contract assets (liabilities), refer to Note 30 for the details.

16. INVENTORIES

	December 31	
	2018	2017
Finished goods and goods	$ 1,220,727	$ 899,821
Work in progress	10,174	81,688
Raw materials	684,287	461,919
Power facilities construction in progress	1,470,298	1,529,163
	$ 3,385,486	$ 2,972,591

Power facilities construction in progress is the cost relevant to power facilities construction which will be sold in the near future.

In 2018, the cost of sales related to inventories was $13,722,481 thousand, which included (1) unallocated fixed manufacturing overhead of $1,075,295 thousand; (2) income of $3,527 thousand from the sale of scraps; (3) losses on purchase contracts of $319,657 thousand; and (4) reversal of inventories write-downs of $19,129 thousand; (5) loss of $14,189 thousand from the disposal of obsolete inventories.

In 2017, the cost of sales related to inventories was $12,204,604 thousand, which included (1) unallocated fixed manufacturing overhead of $795,159 thousand; (2) income of $7,276 thousand from the sale of scraps; (3) losses on purchase contracts of $1,063,138 thousand; and (4) reversal of inventories write-downs of $307,015 thousand; (5) loss of $34,889 thousand from the disposal of obsolete inventories.

Refer to Note 43 for the carrying amount of inventories pledged by the Corporation to secure borrowings.

17. NON-CURRENT ASSETS HELD FOR SALE

	December 31	
	2018	2017
Power facilities	$ -	$ 143,090
Machinery and equipment	-	134,006

Office equipment	-	9
Miscellaneous equipment	-	3,673
	$	$ 280,778

In the second and fourth quarter of 2017, the Group intended to dispose of a parcel of power facilities and reclassified such assets to non-current assets classified as held for sale. The Group assessed that there were no indications of impairment because their recoverable amount was estimated to be higher than their carrying amount. No impairment loss was recognized on classification of the land as held for sale for the year ended December 31, 2017. The above-mentioned power facilities held for sale have already completed the disposal procedures in the second and third quarter of 2018. This transaction generated a profit of $6,387 thousand.

On November 10, 2015, the Corporation's board of directors approved the disposal of a parcel of assets to TS Solartech Sdn Bhd. by installment payment. The first disposal was completed on November 27, 2015; the second parcel of machinery and equipment was intended for transfer out before November 2016. However, installment accounts receivable from TS Solartech Sdn Bhd., due to the disposal of machinery, were not recoverable after assessment, so the Corporation reclaimed those pieces of equipment in accordance with the contract, and that disposal group held for sale was reclassified to property, plant and equipment. the Corporation intended to dispose of the above equipment and reclassified such assets to non-current assets classified as held for sale in fourth quarter of 2017. The Corporation assessed that there were indications of impairment because their recoverable amounts measured at fair value on a non-recurring basis of $137,688 thousand was estimated to be less than their carrying amounts, and thus, an impairment loss of $31,593 thousand was recognized, and the disposal was completed in the first quarter of 2018.

On May 9, 2017, board of directors of the Corporation approved the disposal of the building in Zhu-nan and its auxiliary equipment and reclassified such assets to non-current assets classified as held for sale in the second quarter of 2017. The Corporation signed the disposal contract on July 11, 2017, and the Corporation assessed that there were no indications of impairment because the selling price was higher than the carrying amount; the disposal was completed in the third quarter of 2017

In the first quarter of 2017, the Corporation intended to dispose of a parcel of machinery and equipment and reclassified such assets to non-current assets classified as held for sale. The Group assessed that there were indications of impairment because their recoverable amount measured at fair value on a non-recurring basis of $45,097 thousand was estimated to be less than their carrying amount; and thus, an impairment loss of $12,076 thousand was recognized for the three months ended March 31, 2017, and the disposal was completed in the second quarter of 2017.

18. SUBSIDIARIES

a.Subsidiaries included in the consolidated financial statements

			% of Ownership		
			December 31		
Investor	**Investee**	**Main Business**	**2018**	**2017**	**Remark**
The Corporation	General Energy Solutions Inc. ("GES")	Electronic component manufacturing and selling	100.00	100.00	5
	Prime Energy Corp. ("Prime Energy")	Electronic component manufacturing and selling	100.00	100.00	-
	New Ray Investment Corp. ("New Ray Investment")	Investment company	100.00	100.00	-
	DelSolar Holding Singapore Pte. Ltd. ("DelSolar Singapore")	Investment company	100.00	100.00	-
	DelSolar Holding (Cayman) Ltd. ("DelSolar Cayman")	Investment company	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")	Solar-related business	100.00	100.00	-
	GES Energy Middle East FZE ("GES ME")	Solar-related business	100.00	100.00	-
	Utech solar corporation ("Utech")	Electronic component manufacturing and selling	98.30%	-	11
	Ultimate Energy Solution Limited ("UES")	Investment company	100.00%	-	11
	Solartech Materials Corporation ("SMC")	Electronic component manufacturing and selling	100.00%	-	11
	Apex solar Corporation ("Apex")	Electronic component manufacturing and selling	100.00%	-	11
	Solartech Japan Corporation ("Solartech JP")	Electronic component manufacturing and selling	100.00%	-	11

	Zhongyang Corporation ("Zhongyang")	Electronic component manufacturing and selling	100.00%	-	11
	Huiyang Corporation ("Huiyang")	Electronic component manufacturing and selling	100.00%	-	11
	True Honour Limited	Investment company	99.50%	-	11
GES	Yong Liang Ltd. ("Yong Liang")	Solar-related business	100.00	100.00	-
	Yong Han Ltd. ("Yong Han")	Solar-related business	-	100.00	2
	Yong Zhou Ltd. ("Yong Zhou")	Solar-related business	100.00	100.00	-
	Yun Yeh Energy INC. ("Yun Yeh")	Solar-related business	-	100.00	2
	Ever Lite Power Inc. ("Ever Lite")	Electronic component manufacturing and selling	100.00	100.00	-
	Yong Yao Ltd. ("Yong Yao")	Solar-related business	100.00	100.00	-
	Yong Shun Ltd. ("Yong Shun")	Solar-related business	100.00	100.00	-
	Abacus Renewable One Japan Ltd. ("Abacus")	Solar-related business	-	-	2
	General Energy Solutions UK Limited ("GES UK")	Investment company	100.00	100.00	-
	ELECTRONIC J.R.C. S.R.L ("JRC")	Solar-related business	1.00	1.00	-
GES UK	General Energy Solutions USA. Inc. ("GES USA")	Investment company	100.00	100.00	-
	GES JAPAN CORPORATION ("GES JAPAN")	Investment company	100.00	100.00	-
	NCH Solar 1 Limited ("NCH Solar 1")	Solar-related business	100.00	100.00	-
	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	-
	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	-
	TIPPING POINT ENERGY COC PPA SPE-1, LLC ("TIPPING POINT")	Solar-related business	100.00	100.00	-
	MEGATWO, LLC ("MEGATWO")	Solar-related business	100.00	100.00	-
	GES MEGAFIVE, LLC ("MEGAFIVE")	Solar-related business	100.00	100.00	-
	GES MEGASIX, LLC ("MEGASIX")	Solar-related business	-	-	1
	GES MEGASEVEN, LLC ("MEGASEVEN")	Solar-related business	-	55.00	2
	GES MEGAEIGHT, LLC ("MEGAEIGHT")	Solar-related business	100.00	100.00	-
	GES MEGANINE, LLC ("MEGANINE")	Solar-related business	-	-	1
	GES MEGATEN, LLC ("MEGATEN")	Solar-related business	-	-	1
	GES MEGAELEVEN, LLC ("MEGAELEVEN")	Solar-related business	-	55.00	2
	GES MEGATWELVE, LLC ("MEGATWELVE")	Solar-related business	100.00	100.00	-
	GES MEGATHIRTEEN, LLC ("MEGATHIRTEEN")	Solar-related business	100.00	-	8

			% of Ownership December 31		
Investor	**Investee**	**Main Business**	**2018**	**2017**	**Remark**
GES USA	GES MEGAFOURTEEN, LLC ("MEGAFOURTEEN")	Solar-related business	-	-	2
	GES MEGAFIFTEEN, LLC ("MEGAFIFTEEN")	Solar-related business	-	55.00	2
	GES MEGASIXTEEN, LLC ("MEGASIXTEEN")	Solar-related business	100.00	-	7 and 8
	GES MEGASEVENTEEN, LLC ("MEGASEVENTEEN")	Solar-related business	-	-	1
	GES MEGANINETEEN, LLC ("MEGANINETEEN")	Solar-related business	100.00	100.00	-
	GES MEGATWENTY, LLC ("MEGATWENTY")	Solar-related business	100.00	100.00	-
	GES ASSET ONE, LLC. ("ASSET ONE")	Solar-related business	100.00	100.00	-
	GES ASSET TWO, LLC. ("ASSET TWO")	Solar-related business	-	-	1
	GES ASSET THREE LLC ("ASSET THREE")	Solar-related business	100.00	100.00	-
	GES ASSET FOUR LLC ("ASSET FOUR")	Solar-related business	-	-	1
	CENERGY PORTFOLIO LLC ("CENERGY")	Solar-related business	-	-	1
	SH4 SOLAR LLC ("SH4")	Solar-related business	100.00	100.00	-
	Cedar Falls Solar Farm, LLC ("CEDAR FALLS")	Solar-related business	100.00	100.00	-
	Schenectady Solar, LLC ("Schenectady")	Solar-related business	-	-	1
	Village of Coxsackie Municipal Solar Project One, LLC ("VOC")	Solar-related business	-	-	1
	Heywood Solar PGS, LLC ("HEYWOOD")	Solar-related business	55.00	55.00	4
	SEG MI 57 LLC ("SEG")	Solar-related business	100.00	-	1
	Kinect Solar Fund 1, LLC ("KINECT")	Solar-related business	100.00	100.00	-
	RER CT 57, LLC ("RER CT 57")	Solar-related business	100.00	100.00	-
	MP Solar, LLC ("MP Solar")	Solar-related business	55.00	55.00	4
	Ventura Solar LLC ("Ventura")	Solar-related business	55.00	55.00	4
	TEV II, LLC (TEV II) Investment Company	Solar-related business	50.00	-	9
GES JAPAN	GES FUKUSHIMA CORPORATION ("GES FUKUSHIMA")	Solar-related business	-	-	2
	GES KYUSHU CORPORATION	Solar-related business	-	100.00	2 and 6

Investor	Investee	Main Business	% of Ownership December 31 2018	2017	Remark
	("GES KYUSHU")				
	Hashimoto Corporation ("Hashimoto")	Solar-related business	100.00	100.00	6
GES CANADA	ELECTRONIC J.R.C., S.R.L ("JRC")	Solar-related business	99.00	99.00	-
MEGATWO	Munisol S.A.P.I. de C.V. ("MUNISOL")	Solar-related business	100.00	100.00	-
ASSET THREE	GES Asset Three Shima's, LLC ("SHIMA'S")	Solar-related business	100.00	-	8
	GES Asset Three Waimea, LLC ("WAIMEA")	Solar-related business	100.00	100.00	-
	GES Asset Three Honokawai, LLC ("HONOKAWAI")	Solar-related business	100.00	-	8
	GES Asset Three Eleele, LLC ("ELEELE")	Solar-related business	100.00	100.00	-
	GES Asset Three Hanalei, LLC ("HANALEI")	Solar-related business	100.00	100.00	-
	GES Asset Three Kapaa, LLC ("KAPAA")	Solar-related business	100.00	100.00	-
	GES Asset Three Koloa, LLC ("KOLOA")	Solar-related business	100.00	100.00	-
CENERGY	Smart Farm Inashiki Godo Kaisha ("Inashiki GK")	Solar-related business	-	-	3
	Smart Farm Namegata Godo Kaisha ("Namegata GK")	Solar-related business	-	-	3
MEGASIXTEEN	GES AC SOLAR 2017, LLC ("GES AC")	Solar-related business	67.59	67.59	7
GES AC	Anderson North Solar Project LLC ("Anderson N.")	Solar-related business	100.00	100.00	7
	Anderson South Solar Project LLC ("Anderson S.")	Solar-related business	100.00	100.00	7
	Flora Solar Project LLC ("Flora")	Solar-related business	100.00	100.00	7
	Greenfield Solar Project LLC ("Greenfield")	Solar-related business	100.00	100.00	7
	Spiceland Solar Project LLC ("Spiceland")	Solar-related business	100.00	100.00	7
TEV II	TEV Solar Alpha18 LLC (TEV Solar)	Solar-related business	100.00	-	9
TEV Solar	AC GES Solar 2018 LLC (AC GES Solar)	Solar-related business	66.19	-	10
AC GES Solar	Richmond 2 Solar Park, LLC (Richmond)	Solar-related business	100.00	-	10
	Rensselaer 2 Solar Park, LLC (Rensselaer)	Solar-related business	100.00	-	10
	Advance Solar Park, LLC (Advance)	Solar-related business	100.00	-	10
DelSolar Cayman	DelSolar (HK) Ltd. ("DelSolar HK")	Investment company	100.00	100.00	-
	DelSolar US Holdings (Delaware) Corporation ("DelSolar US")	Investment company	100.00	100.00	-
	NSP SYSTEM NEVADA HOLDING CORP. ("NSP NEVADA")	Solar-related business	100.00	100.00	-
	URE NSP Corporation (URE NSP)	Solar-related business	100.00	-	12
NSP BVI	NSP HK Holding Ltd. ("NSP HK")	Solar-related business	-	-	1
	Clean Focus GP Limited ("CFGP")	Solar operation management services	60.00	60.00	-

Investor	Investee	Main Business	% of Ownership December 31 2018	2017	Remark
DelSolar Singapore	DelSolar India EPC Company Private Ltd. ("DelSolar India")	Solar-related business	-	100.00	3
	Neo Solar Power Malaysia Sdn. Bhd ("NSP Malaysia")	Technical management services	100.00	100.00	-
	Neo Solar Power Vietnam Co., Ltd ("NSP Vietnam")	Technical management services	100.00	100.00	-
NSP UK	NSP Germany GmbH ("NSP Germany")	Solar-related business	90.00	90.00	-
	PV-Power-Park Pro1 Verwaltings GmbH ("PV-Power-Park")	Solar-related business	100.00	100.00	-
	NSP Indygen UK Ltd. ("NSP Indygen")	Solar-related business	-	-	1
NSP System	Hsin Jin Optoelectronics ("Hsin Jin Optoelectronics")	Solar-related business	80.00	80.00	-
.	Hsin Jin Solar Energy Co., Ltd. ("Hsin Jin Solar Energy")	Solar-related business	60.00	60.00	-
	Si Two Corp. ("Si Two")	Solar-related business	100.00	100.00	-
NSP HK	XYH (Suzhou) Energy Ltd. ("XYH Suzhou")	Solar-related business	100.00	100.00	-
CFGP	Clean Focus GP (HK) Limited. ("CFGP (HK)")	Solar operation management services	100.00	100.00	-
DelSolar HK	DelSolar (Wu Jiang) Ltd. ("DelSolar Wu Jiang")	Solar-related business	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	11.36	11.36	-
NSP NEVADA	Livermore Community Solar Farm, LLC ("Livermore")	Solar-related business	75.00	75.00	-
	HI Solar Green 1 LLC	Solar-related business	-	-	2
	HI Solar Green 2 LLC	Solar-related business	-	-	2
	HI Solar Green 3 LLC	Solar-related business	-	-	2
	HI Solar Green 4 LLC	Solar-related business	-	-	2
	HI Solar Green 5 LLC	Solar-related business	-	-	2
	HI Solar Green 6 LLC	Solar-related business	-	-	2
	HI Solar Green 7 LLC	Solar-related business	-	-	2
	HI Solar Green 8 LLC	Solar-related business	-	-	2
	HI Solar Green 9 LLC	Solar-related business	-	-	2
	HI Solar Green 10 LLC	Solar-related business	-	-	2
	GES MEGASEVEN, LLC ("MEGASEVEN")	Solar-related business	-	45.00	2
	GES MEGAELEVEN, LLC ("MEGAELEVEN")	Solar-related business	-	45.00	2
	GES MEGAFOURTEEN, LLC	Solar-related business	-	-	2

	("MEGAFOURTEEN")				
	GES MEGAFIFTEEN, LLC ("MEGAFIFTEEN")	Solar-related business	-	45.00	2
	Heywood Solar PGS, LLC ("HEYWOOD")	Solar-related business	45.00	45.00	4
	Industrial Park Drive Solar, LLC ("Industrial Park")	Solar-related business	100.00	100.00	-
	Hillsboro Town Solar, LLC ("Hillsboro")	Solar-related business	100.00	100.00	-
	MP Solar, LLC ("MP Solar")	Solar-related business	45.00	45.00	4
	Ventura Solar, LLC ("Ventura")	Solar-related business	45.00	45.00	4
DelSolar US	DelSolar Development (Delaware) LLC ("DelSolar Development")	Solar-related business	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	-
	Beryl Construction LLC ("Beryl")	Solar-related business	100.00	100.00	4
NSP Indygen	UKEG POTTERS BAR LIMITED ("POTTERS BAR")	Solar-related business	-	-	1 and 2
	UKEG CLAY CROSS LIMITED ("CLAY CROSS")	Solar-related business	-	-	1 and 2
	UKEG BELPER LIMITED ("BELPER")	Solar-related business	-	-	1 and 2
	GDL Bryncrynau Ltd. ("Bryncrynau")	Solar-related business	-	-	1 and 2
	GDL Upper Meadowley Ltd. ("Meadowley")	Solar-related business	-	-	1 and 2
CFGP (HK)	Clean Focus GP (Shanghai) Limited. ("CFGP (Shanghai)")	Solar operation management services	100.00	100.00	-
DelSolar Wu Jiang	Neo Solar Power (Nanchang) Ltd. ("NSP Nanchang")	Solar-related business	88.64	88.64	-
DelSolar Development	DSS-USF PHX LLC	Solar-related business	100.00	100.00	-
	DSS-RAL LLC	Solar-related business	100.00	100.00	-
CFR	Rugged Solar LLC	Solar-related business	100.00	100.00	1
	AVS Phase 2 LLC	Solar-related business	-	-	1
	Clear Solar I LLC	Solar-related business	-	-	1
	CEC Solar #1117 LLC (CEC Solar #1117)	Solar-related business	-	-	1 and 2
	CEC Solar #1118 LLC (CEC Solar #1118)	Solar-related business	-	-	1 and 2
	CEC Solar #1119 LLC (CEC Solar #1119)	Solar-related business	-	-	1 and 2
	CEC Solar #1121 LLC (CEC Solar #1121)	Solar-related business	-	-	1 and 2
	CEC Solar #1122 LLC (CEC Solar #1122)	Solar-related business	-	-	1 and 2
	CEC Solar #1128 LLC (CEC Solar #1128)	Solar-related business	-	-	1 and 2

			% of Ownership		
			December 31		
Investor	**Investee**	**Main Business**	**2018**	**2017**	**Remark**
CFR	CEC Solar #1130 LLC (CEC Solar #1130)	Solar-related business	-	-	1 and 2
	CEC Solar #1133 LLC (CEC Solar #1133)	Solar-related business	-	-	1 and 2
	Klamath Falls Solar 2 LLC (Ewauna)	Solar-related business	-	-	1 and 2
	232 Long Beach 29 Solar I, LLC (Long Beach)	Solar-related business	-	-	1
	233 Randolph 74 Solar I LLC (Randolph)	Solar-related business	-	-	1
	CF Roseville Owner LLC (Roseville)	Solar-related business	-	-	1 and 2
	NHSG Alpine Ridge Solar, LLC (NHSG)	Solar-related business	-	-	1 and 2
UES	Renewable Energy Solution Limited (RES)	Investment company	100.00%	-	11
RES	Gintech (Thailand) Limited (Gintech Thailand)	Solar-related business	100.00%	-	11

Note 1: The subsidiary was deemed as a subsidiary of the Group in accordance with IFRS 10.

Note 2: 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 and HI Solar Green 10 LLC were all disposed of in January 2017. Abacus was disposed in June 2017. GES FUKUSHIMA was disposed in July 2017. MEGAFOURTEEN was disposed in November 2017. The liquidation of New Castle was completed in December 2017. Yong Han was disposed of in March 2018. Yun Yeh was disposed of in March 2018. MEGASEVEN, MEGAELEVEN and MEGAFIFTEEN were all disposed of in June 2018. GES KYUSHU was disposed of in October 2018. POTTERS BAR,CLAY CROSS, BELPER, Bryncrynau and Meadowley were all disposed of in October 2018. CEC Solar #1117, CEC Solar #1118, CEC Solar #1119, CEC Solar #1121, CEC Solar #1122, CEC Solar #1128, CEC Solar #1130, CEC Solar #1133, and Ewauna were all disposed of in the fourth season.

Note 3: The cancellation of Inashiki GK and Namegata GK were completed in April 2017, the cancellation of DelSolar India was completed in March 2018.

Note 4: HEYWOOD was 55% - owned by GES USA and 45% - owned by NSP NEVADA in February 2017. Beryl was 100% - owned by DelSolar US in March 2017. MP Solar and Ventura were 55% - owned by GES USA and 45% - owned by the Corporation NEVADA in October 2017, respectively.

Note 5: The Corporation considers the development of the solar energy industry and the growth of future requirements in its investment strategy. In order to expand the solar energy industry and strengthen the operating ability, on October 16, 2017, the Corporation's board of directors approved to increase the investment in GES by 46,104,764 ordinary shares of GES by public tender offer (approximately 24.11% of the total issued ordinary shares of GES). As of November 6, 2017, the acquisition date, the Corporation acquired 43,090,282 shares and obtained a total of 3,014,482 shares from other shareholders in November and December 2017, and GES became a 100%-owned subsidiary of the Group.

Note 6: GES JAPAN acquired 55% ownership of GES KYUSHU and Hashimoto; thus, GES KYUSHU and Hashimoto became 100%-owned subsidiaries in October 2017.

Note 7: MEGASIXTEEN was established for taxation purposes based on an agreement. MEGASIXTEEN established GES AC with MPC AC 2017 Energy Fund, LLC ("MPC"), and acquired 67.59% of the shares of GES AC in December 2017. Through GES AC, MEGASIXTEEN owned 5 Power Facilities LLC under GES AC.

Note 8: As GES USA had injected capital in MEGASIXTEEN and MEGATHIRTEEN since the first quarter and second quarter of 2018, MEGASIXTEEN became a 100%-owned subsidiary of GES USA. In view of the fact that the power facilities of SHIMA and HONOKAWAI had been operated since the first quarter of 2018, SHIMA and HONOKAWAI became 100%-owned subsidiaries to ASSET THREE.

Note 9: GES USA and non-related party, Telamon Enterprise Ventures ("Telamon") established TEV II and each acquired 50% of the shares of TEV II, based on an agreement. GES USA is responsible for all relevant events and the risk of fluctuating return, thus, GES USA obtains substantial control over TEV II.

Note 10: TEV II acquired 100% of the shares of TEV Solar. TEV Solar and non-related party, Advantage Capital Solar Partners II, LLC("ACS") established AC GES Solar. TEV Solar acquired 66.19% of the shares of AC GES Solar which is the 100% owner of three LLC solar power facilities engaged in solar-related business.

Note 11: The acquisitions of subsidiaries were due to the absorption merging of two corporations, Gintech Energy and Solartech Energy on October 1, 2018.

Note 12: As DelSolar Cayman had injected capital in URE NSP in November 2018, URE NSP became a 100%-owned subsidiary of DelSolar Cayman.

b. Details of subsidiaries that have material non-controlling interests

As of December 31, 2018, the Group did not have subsidiaries that have material non-controlling interests.

Name of Subsidiary	Principal Place of Business	% of Ownership and Voting Rights Held by Non-controlling Interests December 31, 2017
GES	Hsin-Chu	-
GES AC	America	32.41
CFGP	British Virgin Islands	40.00

Name of Subsidiary	(Loss) Gain Allocated to Non-controlling Interests For the Year Ended December 31, 2017	Accumulated Non-controlling Interests December 31, 2017
GES (Without non-controlling interests of subsidiaries)	$ 19,978	$ -
GES AC	-	175,793
CFGP	(26,756)	62,661
Others	952	19,954
Total	$ (5,826)	$ 258,408

Summarized financial information in respect of each of the Group's subsidiaries with material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

	December 31, 2017
GES and GES's subsidiaries	
Current assets	$ 946,606
Non-current assets	6,732,726
Current liabilities	(4,244,955)
Non-current liabilities	(1,230,492)
Equity	$ 2,203,885
Equity attributable to:	
Owners of GES	$ 1,821,774
Non-controlling interests of GES	-
Non-controlling interests of GES's subsidiaries	382,111
	$ 2,203,885

	For the Year Ended December 31, 2017
Revenue	$ 521,594
Income for the year	$ 38,262
Other comprehensive loss for the year	(161,308)
Total comprehensive loss for the year	$ (123,046)
Profit attributable to:	
Owners of GES	$ 21,038
Non-controlling interests of GES	19,978
Non-controlling interests of GES's subsidiaries	(2,754)
	$ 38,262
Total comprehensive loss attributable to:	
Owners of GES	$ (108,990)
Non-controlling interests of GES	(11,302)
Non-controlling interests of GES's subsidiaries	(2,754)
	$ (123,046)
Net cash inflow from:	
Operating activities	$ 1,309,371
Investing activities	(2,637,541)
Financing activities	932,438
Effects of exchange rate changes	(7,913)
Net cash outflow	$ (403,645)

	December 31, 2017
GES AC and GES's Subsidiaries	
Current assets	$ 24

Non-current assets	1,097,869
Current liabilities	(829,270)
Non-current liabilities	(49,656)
Equity	$ 218,967
Equity attributable to:	
Owners of GES AC	$ 43,174
Non-controlling interests of GES AC	175,793
	$ 218,967

CFGP and CFGP's subsidiaries

Current assets	$ 35,318
Non-current assets	153,429
Current liabilities	(1,639)
Equity	$ 187,108
Equity attributable to:	
Owners of CFGP	$ 124,447
Non-controlling interests of CFGP	62,661
	$ 187,108

	For the Year Ended December 31, 2017
Revenue	$ -
Loss for the year	$ (66,889)
Other comprehensive income for the year	-
Total comprehensive loss for the year	$ (66,889)
Loss attributable to:	
Owners of CFGP	$ (40,133)
Non-controlling interests of CFGP	(26,756)
	$ (66,889)
Total comprehensive loss attributable to:	
Owners of CFGP	$ (40,133)
Non-controlling interests of CFGP	(26,756)
	$ (66,889)

(Continued)

	For the Year Ended December 31, 2017
Net cash inflow from:	
Operating activities	$ 32,960
Financing activities	-
Effects of exchange rate changes	33
Net cash inflow	$ 32,993

(Concluded)

19. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2018	2017
Investments in associates	$ 2,314,046	$ 1,822,981
Investments in joint ventures	67,174	64,792
	$ 2,381,220	$ 1,887,773

a. Investments in associates

	December 31	
	2018	2017
Material associates		
Clean Focus Yield Limited (“CFY”)	$ -	$ 1,130,375
Neo Cathay Power Corp. (“Neo Cathay”)	-	578,238
	-	1,708,613
Associates that are not individually material		
Clean Focus Yield Limited (“CFY”)	1,295,281	-
Neo Cathay Power Corp. (“Neo Cathay”)	608,316	-
TS Solartech SDN BHD (“TSST”)	254,093	-
V5 Technology	69,860	72,402
Gintung energy Corp. (“Gintung”)	44,424	-
MEGATHREE	34,539	32,650
JNV SOLAR POWER CO., LTD. (“JSP”)	7,533	9,316
Sunshine PV Corp. (“Sunshine PV”)	-	-
Solar PV Corp (“Solar PV”)	-	-
	2,314,046	114,368
	$ 2,314,046	$ 1,822,981

1) Material associates

As of December 31, 2018, the Group did not have material associates.

At the end of the reporting period, the proportion of ownership and voting rights in associates held by the Group were as follows:

Name of Company	December 31 2018	December 31 2017
CFY	-	26.99%
Neo Cathay	-	40.00%

Summarized financial information in respect of each of the Group's material associates is set out below. The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRS adjusted by the Corporation for equity accounting purposes.

CFY

	December 31, 2017
Current assets	$ 3,421,244
Non-current assets	9,936,667
Current liabilities	(2,600,813)
Non-current liabilities	(5,418,742)
Equity	5,338,356
Non-controlling interest	(2,514,794)
Unrecognized changes in equity of profit and loss and non-other comprehensive income	(18,159)
	$ 2,805,403
Proportion of the Group's ownership	26.99%
Equity attributable to the Group	$ 757,178
Unrealized gain with associates	(4,588)
Goodwill	370,712
Other adjustments	7,073
Investment carrying value	$ 1,130,375

	For the Year Ended December 31, 2017
Revenue	$ 417,826
Profit from operations	$ 417,826
Net profit for the period	$ 94,486
Other comprehensive loss	$ (1,745)
Total comprehensive income for the period	$ 92,741

Neo Cathay

	December 31, 2017
Current assets	$ 681,238
Non-current assets	817,097
Current liabilities	(400)
Equity	$ 1,497,935
Proportion of the Corporation's ownership	40.00%
Equity attributable to the Corporation	$ 599,173
Unrealized gain with associates	(20,935)
Investment carrying value	$ 578,238

	For the Year Ended December 31, 2017
Revenue	$ -
Loss from operations	$ -
Net profit (loss) for the period	$ 846
Other comprehensive loss	$ -
Total comprehensive income (loss) for the period	$ 846

A valuation report of CFY received in fourth quarter of 2017, the Group adjusted the initial accounting and tentative amount estimated at the acquisition date according to the valuation report.

2) Aggregate information of joint ventures that are not individually material

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

	December 31	
Name of Company	**2018**	**2017**
CFY	28.67%	-
Neo Cathay	40.00%	-
TSST	42.12%	-
V5 Technology	41.43%	41.43%
Gintung	36.38%	-
MEGATHREE	40.00%	40.00%
JSP	35.00%	35.00%
Sunshine PV	19.47%	-
Solar PV	19.92%	-

The acquisitions of TSST, Gintung, Sunshine PV and Solar PV as joint ventures were due to the absorption merging of two corporations, Gintech Energy and Solartech Energy on October 1, 2018.

Aggregate information of associates that are not individually material was as follows:

	2018	2017
The Group's share of:		
Net loss for the year	$ (7,625)	$ (18,306)
Other comprehensive income for the year	(36,641)	-
Total comprehensive (loss) for the year	$ (44,266)	$ (18,306)

A valuation report of V5 Technology was received in the fourth quarter of 2017, the Group adjusted the initial accounting and tentative amount estimated at the acquisition date according to the valuation report.

The Group had recognized impairment loss of equity investment of Sunshine PV, an associate, so that the Group did not recognize any share of profit or loss of associates. However, based on the changes in the Group's share of equity of associates attributable to the Group was $4,026 thousand, as of December 31, 2018.

The Group had recognized impairment loss of equity investment of Solar PV, an associate, so that the Group did not recognize any share of profit or loss of associates. However, based on the changes in the Group's share of equity of associates attributable to the Group was $361 thousand, as of December 31, 2018.

b. Investments in joint ventures

	December 31	
	2018	2017
Joint ventures that are not individually material		
NSP ET CAP MN HOLDINGS LLC ("JV2")	$ 63,088	$ 61,202
CF MN DevCo One LLC ("DevCo One")	2,043	1,795
CF MN DevCo Two LLC ("DevCo Two")	2,043	1,795
	$ 67,174	$ 64,792

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

	December 31	
Name of Company	**2018**	**2017**
JV2 (Note 1)	67.00%	67.00%
DevCo One (Note 2)	40.00%	40.00%
DevCo Two (Note 2)	40.00%	40.00%

Note 1: NSP ET CAP MN HOLDINGS LLC (JV2) jointly invested in DelSolar US, a subsidiary of the Corporation, and ET Capital Solar Partners (USA), Inc. on December 28, 2015. As of December 31, 2018, the Group 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 an equal percentage of profit distribution.

Note 2: DevCo One was jointly invested in by USD 1 and Novel Energy Solutions, LLC. DevCo Two was jointly invested in by USD 1 and Greenmark Solar, LLC. According to the contract, all of both DevCo One and DevCo Two's major management decisions are subject to the consent of all investors and hence the Group does not have control over DevCo One and DevCo Two. In addition, as specified in the contractual arrangement, both DevCo One and DevCo Two have a 40% profit distribution.

Aggregate information of joint ventures that are not individually material is as follows:

	2018	2017
The Corporation's share of:		
Net (loss) income for the year	$ (17)	$ 9,163
Other comprehensive income for the year	-	-
Total comprehensive income for the year	$ (17)	$ 9,163

The information of the main business, principal operating place and registry country of the above associates and joint ventures is shown in Table 7 "Information of investees".

Except for TSST and CFY, the investments accounted for using the equity method and the share of profit or loss and other comprehensive income of the investment were calculated based on the financial statements that have been audited. Management believes there is no material impact on the financial statements that have not been audited.

The investments in the associates and joint ventures have been pledged as collateral for bank loans, refer to note 43.

20. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2018	2017
Carrying amounts		
Land	$ 1,537,278	$ 460,731
Buildings	6,978,763	1,774,910
Machinery and equipment	7,727,005	4,758,939
Research and development equipment	9,041	9,503
Office equipment	26,827	4,095
Transportation equipment	1,002	-
Rental assets	134,826	69,138
Leasehold improvements	709,728	10,597
Miscellaneous equipment	225,468	52,765
Advance payments and construction in progress	2,706,592	4,022,221
	$ 20,056,530	$ 11,162,899

	Year Ended December 31, 2017						
	Balance, Beginning of Period	**Acquired from Business Combinations**	**Additions**	**Deduction**	**Reclassification**	**Translation Adjustments**	**Balance, End of Period**
Cost							
Land	$ 534,450	$ -	$ -	$ (92,559)	$ 20,514	$ (1,674)	$ 460,731
Buildings	4,327,670	-	-	(99,820)	(1,468,862)	-	2,758,988
Machinery and equipment	15,465,286	-	102,466	(166,791)	718,610	(19,467)	16,100,104
Research and development equipment	63,735	-	167	(1,083)	38	-	62,857
Office equipment	59,394	-	78	(18,912)	(11,182)	(466)	28,912
Rental assets	180,408	-	-	-	-	(16,290)	164,118
Leasehold improvements	15,655	-	1,619	-	3,607	22	20,903
Miscellaneous equipment	351,352	-	2,444	(20,417)	(491)	(353)	332,535
Property under acceptance or construction	2,824,476	674,595	3,876,206	(3,861,093)	653,525	(145,488)	4,022,221
	23,822,426	$ 674,595	$ 3,982,980	$ (4,260,675)	$ (84,241)	$ (183,716)	23,951,369
Accumulated depreciation							
Buildings	1,212,420	$ -	$ 184,167	$ (27,757)	$ (384,752)	$ -	984,078
Machinery and equipment	9,577,239	-	1,462,225	(68,309)	(88,770)	1,682	10,884,067
Research and development equipment	41,541	-	12,768	(955)	-	-	53,354
Office equipment	49,691	-	4,371	(18,893)	(9,967)	(385)	24,817
Rental assets	84,008	-	20,377	-	-	(9,405)	94,980
Leasehold improvement	10,358	-	1,508	-	(1,565)	5	10,306
Miscellaneous equipment	268,197	-	37,017	(17,416)	(8,028)	-	279,770
	11,243,454	$ -	$ 1,722,433	$ (133,330)	$ (493,082)	$ (8,103)	12,331,372
Accumulated impairment							
Machinery and equipment	480,877	$ -	$ 42,639	$ (17,952)	$ (48,466)	$ -	457,098
Miscellaneous equipment	891	-	1,030	-	(1,921)	-	-
	481,768	$ -	$ 43,669	$ (17,952)	$ (50,387)	$ -	457,098
	$ 12,097,204						$ 11,162,899

	Year Ended December 31, 2018						
	Balance, Beginning of the Period	**Acquired from Business Combinations**	**Additions**	**Deductions**	**Reclassifications**	**Translation Adjustments**	**Balance, End of Period**
Cost							
Land	$ 460,731	$ 1,075,945	$ -	$ -	$ -	$ 602	$ 1,537,278
Buildings	2,758,988	5,395,126	-	-	-	-	8,154,114
Machinery and equipment	16,100,104	4,502,972	87,658	(2,000)	131,853	(21,159)	20,799,428
Research and development equipment	62,857	6,259	-	-	450	-	69,566
Office equipment	28,912	12,530	5,227	(425)	9,380	360	55,984
Transportation equipment	-	1,088	-	-	-	-	1,088
Rental assets	164,118	-	82,684	-	-	7,512	254,314
Leasehold improvements	20,903	712,700	696	-	1,294	(181)	735,412
Miscellaneous equipment	332,535	216,673	1,541	(398)	4,141	(324)	554,168
Property under acceptance or construction	4,022,221	274,980	2,202,613	(3,349,016)	(289,803)	103,547	2,964,542
	23,951,369	$ 12,198,273	$ 2,380,419	$ (3,551,839)	$ (142,685)	$ 90,357	35,125,894
Accumulated depreciation							
Buildings	984,078	$ -	$ 191,223	$ -	$ -	$ 50	1,175,351
Machinery and equipment	10,884,067	-	1,743,533	(2,000)	-	(10,275)	12,615,325
Research and development equipment	53,354	-	7,171	-	-	-	60,525
Office equipment	24,817	-	4,454	(372)	-	258	29,157
Rental assets	94,980	-	20,220	-	-	4,288	119,488
Leasehold improvements	10,306	-	15,416	-	-	(38)	25,684
Transportation equipment	-	-	86	-	-	-	86
Miscellaneous equipment	279,770	-	49,453	(398)	-	(124)	328,701
	12,331,372	$ -	$ 2,031,556	$ (2,770)	$ -	$ (5,841)	14,354,317
Accumulated impairment							
Machinery and equipment	457,098	$ -	$ -	$ -	$ -	$ -	457,098
Inspection-awaited equipment and construction in progress	-	-	257,949	-	-	-	257,949
	457,098	$ -	$ 257,949	$ -	$ -	$ -	715,047
	$ 11,162,899						$ 20,056,530

Due to the estimated decline in the net realizable value of the material module of the second phase solar power plant owned by the subsidiary of the Group in Dominica, the Group recognized an impairment loss of $257,949 thousand in other income and expenses for the year ended December 31, 2018. The fair value of the recoverable amount was categorized as a Level 3 measurement and was measured using the market approach. The key assumptions included the market quotation of the same type of module and the economic residual value to estimate the selling price.

For the impairment loss recognized and related disclosures in 2017, refer to Note 17.

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
Transportation Equipment	3-5 years
Miscellaneous equipment	3-16 years

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

Refer to Note 43 for the carrying amount of property, plant and equipment pledged by the Group to secure borrowings.

For the year ended December 31, 2018, the deductions included the transfer to finance lease receivables of $2,823,866 thousand, the disposal of property, plant and equipment of $53 thousand, and the transfer due to disposal of subsidiaries of $525,150 thousand.

For the year ended December 31, 2018, there were reclassifications from inventory of $109,854 thousand from prepayment for equipment $3,037 thousand; from property under acceptance or construction of $255,846 thousand to other expenses.

For the year ended December 31, 2017, the deductions were amounts transferred to finance lease receivables of $3,762,665 thousand, purchase discount and adjustment to cost of property, plant and equipment of $41,442 thousand, disposal of property, plant and equipment of $117,827 thousand, and amount transferred from disposal of subsidiaries $187,479 thousand.

For the year ended December 31, 2017, there were reclassifications from power facility construction in progress of $1,844,413 thousand to property under acceptance or construction, from power facility construction in progress of $20,514 thousand to land; from property under acceptance or construction of $7,313 thousand to other expenses and from building, machinery, equipment and miscellaneous equipment of $1,398,386 thousand to non-current assets classified as held for sale.

21. INTANGIBLE ASSETS

	December 31	
	2018	**2017**
Carrying amounts of each class		
Contracts with consultants	$ 135,606	$ 141,805
Contracts with customers	37,365	106,455
Goodwill	11,969	11,622
Software	2,836	-
Patents	1,202	-
Brands	-	-
Others	13,984	1,468
	$ 202,962	$ 261,350

	For the Year Ended December 31, 2017						
	Contracts with Consultants	Goodwill	Contracts with Customers	Brands	Patents	Others	Total
Cost							
Balance at January 1	$ 166,140	$ 46,064	$ 87,501	$ 133,790	$ 596	$ 1,587	$ 435,597
Acquired from business combinations	-	-	109,415	-	-	-	109,415
Acquired fair value adjustment	-	(32,601)	-	-	-	-	(32,601)
Disposal of subsidiaries	-	(893)	(82,504)	(89,408)	(596)	-	(173,401)
Translation adjustments	(12,512)	(948)	(7,511)	-	-	(119)	(21,090)
Balance at December 31	(153,628)	11,622	106,901	44,301	-	1,468	317,920
Accumulated amortization							
Balance at January 1	-	-	-	102,551	167	-	120,718
Amortization	12,045	-	1,498	2,386	29	-	15,958
Disposal of subsidiaries	-	-	(1,031)	(78,636)	(196)	-	(79,863)
Translation adjustments	(222)	-	(21)	-	-	-	(243)
Balance at December 31	11,823	-	446	44,301	-	-	56,570
	$ 141,805	$ 11,622	$ 106,455	$ -	$ -	$ 1,468	$ 261,350

	Year Ended December 31, 2018							
	Contracts with Consultants	Goodwill	Contracts with Customers	Brands	Patents	Software	Others	Total
Cost								
Balance at January 1	$ 153,628	$ 11,622	$ 106,901	$ 44,301	$ -	$ -	$ 1,468	$ 317,920
Acquired from Business Combinations	-	-	-	-	1,250	2,493	13,888	17,631
Additions	-	-	3,074	-	-	665	-	3,739
Disposal of subsidiaries	-	-	(74,532)	-	-	-	-	(74,532)
Translation adjustments	4,591	347	4,509	-	-	-	112	9,559
Balance at December 31	158,219	11,969	39,952	44,301	1,250	3,158	15,468	274,317
Accumulated amortization								
Balance at January 1	11,823	-	446	44,301	-	-	-	56,570
Amortization	10,245	-	4,586	-	48	322	1,477	16,678
Disposal of subsidiaries	-	-	(2,447)	-	-	-	-	(2,447)
Translation adjustments	545	-	2	-	-	-	7	554
Balance at December 31	22,613	-	2,587	44,301	48	322	1,484	71,355
	$ 135,606	$ 11,969	$ 37,365	$ -	$ 1,202	$ 2,836	$ 13,984	$ 202,962

Contracts with consultants are for the on-going management and long-term maintenance of the power station.

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

The above items of intangible assets are amortized on a straight-line basis over 1 to 15.16 years.

A valuation report received in 2017 indicated that the fair value of non-controlling of non-controlling interest of CFGP and fair value of identifiable net assets acquired is $146,321 thousand. The Corporation adjusted the initial accounting and tentative amount estimated at the acquisition date.

For the year ended December 31, 2018 and 2017, the Group did not recognize any impairment loss.

No intangible assets were pledged as collateral for the Group's bank loans.

22. PREPAYMENTS FOR LEASES

	December 31	
	2018	2017
Current assets	$ 4,748	$ 12,117
Non-current assets	19,469	19,700
	$ 24,217	$ 31,817

Prepayments for leases, which mainly included land use rights paid for power facilities construction in the U.S., were amortized on a straight-line basis over 30 years. As of December 31, 2018 and 2017, such land use rights amounted to $19,469 thousand and $19,700 thousand, respectively. The Group had obtained the certificates of land use rights.

23. PREPAYMENTS AND OTHER ASSETS

	December 31	
	2018	2017
Prepayments		
Payments in advance	$ 2,286,892	$ 828,595
Prepayments for equipment	311,706	246,895
Others	547,164	139,857
	$ 3,145,762	$ 1,215,347
Other assets		
Restricted assets	$ 3,701,289	$ 2,386,553
Pledged time deposits	595,018	209,277
Temporary payment	264,385	18,395
Others	620,005	406,193
	$ 5,180,697	$ 3,020,418
Prepayments		
Current	$ 638,326	$ 205,275
Non-current	2,507,436	1,010,072
	$ 3,145,762	$ 1,215,347
Other assets		
Current	$ 4,981,243	$ 1,079,956
Non-current	199,454	1,940,462
	$ 5,180,697	$ 3,020,418

The Group recognized impairment loss on prepayments after assessment; for further disclosures, refer to Note 44.

24. LOANS

a.Short-term borrowings

	December 31	
	2018	**2017**
Secured borrowings		
Bank loans	$ 270,000	$ 180,528
Non-financial loans	41,808	83,592
	311,808	264,120
Unsecured borrowings		
Line of credit borrowings	6,557,820	7,965,195
	$ 6,869,628	$ 8,229,315

1)The range of weighted average effective interest rates on bank loans was 0.8800%-4.0698% and 0.8000%-6.0000% per annum as of December 31, 2018 and 2017, respectively.

2)The secured non-financial loans were the refundable deposits that were pledged as collateral for loans to Co-operative Assets Management Co., Ltd. Robina Finance & Leasing Corp. The borrowing rate were 4.1096%-6.5000% and 3.7500% as of December 31, 2018 and 2017, respectively.

3)The unused amounts of short-term bank loan facilities were $5,227,083 thousand and $4,041,472 thousand, as of December 31, 2018 and 2017, respectively.

4)The assets pledged as collaterals for short-term bank loans are shown in Note 43.

b.Short-term bills payable

	December 31	
	2018	**2017**
Commercial papers	$ 276,600	$ 607,100
Less: Unamortized discount on bills payable	(164)	(704)
	$ 276,436	$ 606,396

Outstanding short-term bills payable were as follows:

December 31, 2018

Promissory Institutions	**Nominal Amount**	**Discount Amount**	**Carrying Value**	**Interest Rate**
Commercial papers				
International Bills Finance Corporation	$ 163,200	$ 78	$ 163,122	0.700%
International Bills Finance Corporation	113,400	86	113,314	2.490%

December 31, 2017

Promissory Institutions	Nominal Amount	Discount Amount	Carrying Value	Interest Rate
Commercial papers				
International Bills Finance Corporation	$ 307,100	$ 254	$ 306,846	0.600%
International Bills Finance Corporation	50,000	4	49,996	2.290%
Taiwan Cooperative Bills Finance Corporation	200,000	415	199,585	0.972%
Taiwan Cooperative Bills Finance Corporation	50,000	31	49,969	2.200%

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

c. Long-term bank loans

	December 31	
	2018	2017
Secured loan		
3.6 billion syndicated loan from Mega Bank (1)	$ 2,832,000	$ -
4.2 billion syndicated loan from First Bank (1)	2,570,000	-
4.5 billion syndicated loan from First Bank (1)	2,369,560	-
3.3 billion syndicated loan from Taiwan Cooperative Bank	1,327,550	2,160,000
FMO & DEG Bank	1,149,430	-
Cathy Bank	796,164	554,844
CTBC Bank loan (1)	412,458	-
KGI Bank loan	250,000	-
Taiwan Cooperative Bank loan (1)	210,022	-
0.55 billion syndicated loan from First Bank (1)	178,750	-
Mega Bank	95,110	-
Yuanta bank	72,191	78,218
Far Eastern Bank	68,535	151,621
Union Bank of Taiwan loan (1)	11,660	-
EnTie bank	-	119,030
Unsecured loan		
King’s Town Bank	1,210,000	1,470,000
0.5 billion syndicated loan from First Bank (1)	337,500	-
The Shanghai Commercial & Savings Bank (1)	107,407	-
First Bank loan (1)	23,515	-
Cota Commercial Bank loan (1)	16,664	-
Other borrowings		
Machinery and equipment Financing from EQUVO Pte., Ltd.	672,941	-
IMPA (2)	554,631	58,120
Robina Ventures Incorporation	102,949	54,682
Inventory Financing from JihSun International Leasing & Finance Co., Ltd.	90,370	-
Chailease International Financial Services. Co., Ltd.	81,384	255,507

(Continued)

	December 31	
	2018	2017
Inventory Financing from Hotai Finance Corporation	$ 77,344	$ -
Inventory Financing from Taichung Bank Leasing & Finance Co., Ltd	71,555	-
Credit loan from IBT Leasing Corporation Limited	59,714	16,807
Credit loan from JihSun International Leasing & Finance Co., Ltd.	23,799	50,000
Credit loan from Taichung Bank Leasing & Finance Co., Ltd.	23,477	48,005
Inventory Financing from IBT Leasing Corporation Limited	7,327	83,777
inventory Financing from Robina Finance Leasing Corporation Limited	-	150,000
	15,804,007	5,250,611
Less: Current portion	(6,275,497)	(3,092,575)
	$ 9,528,510	$ 2,158,036
The range of interest rate	1.6894%-7.8200%	1.6200%-6.5000%
The period of contracts	December 30, 2014 to November 1, 2043	July 31, 2015 to November 29, 2042

(Concluded)

Note 1: Acquisitions through business combinations of Gintech Energy and Solartech Energy on October 1, 2018.

Note 2: MEGASIXTEEN and TEV II entered into a long-term contract with IMPA for a term of 25 years. A derivative, which has a right to sell, as a liability, was embedded in the host contract. Such right was designated on initial recognition as one to be measured at fair value through profit or loss; the embedded derivative was required to be separated from the host contract as the economic characteristics of the embedded derivative were not closely related to those of the host contract, resulting in an approximate effective interest rate of 11.08% and 11.38%, respectively.

1) The bank borrowing restrictions are as follows:

Short-term borrowings

During the credit period, while the power facilities are in operation, the agreement on the Cathay Bank secured loans requires the maintenance of certain financial ratios based on annual nonconsolidated financial statements of ASSET THREE and its subsidiaries and MEGATHIRTEEN. The related restrictions are as follows:

a) The interest coverage ratio should not be less than 110%; and

b) Debt service coverage ratio of [(Income before tax + Depreciation + Amortization + Interest expense + Reserve funds) ÷ principal and interest paid in the current year] should not be less than 150%.

If ASSET THREE and MEGATHIRTEEN fails to achieve the above financial ratios, the bank will demand immediate payment of the loan from ASSET THREE and MEGATHIRTEEN. As of December 31, 2018, the borrowings amounted to $137,937 thousand were all reclassified to long-term loans. As of December 31, 2017, such requirements were not applicable since the power facility was not in operation before the commercial operation date.

During the credit period, the agreement on the Taiwan Cooperative Bank, EnTie Commercial Bank and Yuanta Commercial Bank syndicated loans requires the maintenance of certain financial ratios based on the Corporation's annual and semiannual nonconsolidated financial reports. The related restrictions are as follows:

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

b) Debt to equity ratio (Total liabilities ÷ Tangible net worth): No more than 300% and 125%;

c) Interest coverage ratio [(Income before tax + Depreciation + Amortization + Interest expense) ÷Interest expense]: At least 100%; and

d) Tangible net worth: At least $2 billion and $10 billion.

The Corporation and GES were not in compliance with the above loan requirements as shown in their nonconsolidated and consolidated financial statements as of December 31, 2018 and 2017. However, during the grace period from the date that the nonconsolidated and consolidated financial statements were authorized for issue until the date that the nonconsolidated and consolidated financial statements as of and for the year ended December 31, 2018 are authorized for issue, such situation will not constitute a breach of the agreements, but GES shall pay an additional 0.2% interest per annum based on the loan balance according to the loan agreements. In addition, should the Corporation and GES fail to achieve the financial ratios in the next examination, the lender will demand 15% of the total borrowing amounts as reserve funds and an extra 0.2% interest will be charged until the Corporation and GES attain the required ratios. According to the agreement, GES has deposited amounts of $83,244 thousand and $117,150 thousand as of December 31, 2018 and 2017, respectively.

<u>Long-term borrowings</u>

During the credit period, the agreement on the Mega Bank syndicated loans requires the maintenance of certain financial ratios based on the Corporation's annual and semiannual nonconsolidated financial reports. The related restrictions are as follows:

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

b) Debt to equity ratio (Total liabilities and the guarantee balance ÷ Tangible net worth): No more than 150%;

The Corporation did not violate the required financial ratios as of December 31, 2018.

During the credit period, from 2019, the agreement on the First Bank syndicated loans requires the maintenance of certain financial ratios based on the Corporation's annual and semiannual nonconsolidated financial reports. The related restrictions are as follows:

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

b) Debt to equity ratio (Total liabilities and the guarantee balance ÷ Tangible net worth): No more than 120%;

c) Interest coverage ratio [(Income before tax + Depreciation + Amortization + Interest expense) ÷ Interest expense]: At least 1; and

d) Tangible net worth: At least $6 billion.

During the credit period, the agreement on the Frist Bank NT$4.5 billion syndicated loans requires the maintenance of certain financial ratios based on Utech's annual and semiannual nonconsolidated financial reports. The related restrictions are as follows:

a) The current ratio (ratio of current assets to current liabilities) should not be less than 100%;

b) The leverage ratio (ratio of total liabilities to tangible net worth) should not exceed 250% and 200%, as of 2018 and 2019, respectively;

c) The interest coverage ratio [(income before tax + depreciation + amortization + interest expense) ÷interest expense] at least 4; and

d) Tangible net worth (net worth - intangible assets) should be at least $1.2 billion and $1.3 billion, as of 2018 and 2019, respectively.

Utech did not meet the required current ratio, interest coverage ratio and tangible net worth as of December 31, 2018. An additional interest should be accrued during the improvement period, from December 31, 2018 to December 31, 2019, and such situation will not constitute a breach of the agreements.

During the credit period, the agreement on the Taiwan Cooperative Bank syndicated loans requires the maintenance of certain financial ratios based on the Corporation's annual and semiannual nonconsolidated financial reports. The related restrictions are as follows:

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

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

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

d) Tangible net worth: At least $10 billion.

The Corporation did not violate the required financial ratios as of December 31, 2018.

The Corporation did not meet the required current ratio, debt to equity ratio and interest coverage ratio as of December 31, 2017; thus, the Corporation paid the related compensation expenses under the loan agreements during 2018.

Under the syndicated loan agreement with FMO Bank and DEG Bank, JRC should comply with all of the following financial covenants in its annual and semiannual consolidated financial statements:

a) The leverage ratio (ratio of total liabilities to tangible net worth) should not exceed 233%;

b) The interest coverage ratio [(income before tax + depreciation + amortization + interest expense) ÷ principal and interest paid in current year] should not be less than 115%; and

c) The balance of reserve funds should not be less than US$ 3,000 thousand.

JRC did not meet the required financial covenants as of December 31, 2018. JRC has deposited reserve funds, and such situations will not constitute a breach of the agreements.

During the credit period, the agreement on the Cathay Bank secured loans requires the maintenance of certain financial ratios based on annual nonconsolidated financial reports of ET ENERGY, CEDAR FALLS, RER CT 57, MEGAEIGHT, MEGATWELVE and MEGATHIRTEEN. The related restrictions are as follows:

a) Debt service coverage ratio [(Income before tax + Depreciation + Amortization + Interest expense) ÷ principal and interest paid in the current year]: DSCR no less than 110% or 120%;

The companies mentioned above did not meet the required debt service coverage ratio, under the loan agreements, the bank could increase the amount of reserve funds and they have deposited US$751 thousand (NT$23,096 thousand) as reserve funds, and such situations will not constitute a breach of the agreements.

For the credit duration, the agreement on the Cathay Bank secured loans requires the maintenance of certain financial ratios based on the consolidated financial reports of GES USA. The related restrictions are as follows:

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

b) Debt to equity ratio (Total liabilities ÷ Tangible net worth): No more than 300%.

GES USA did not violate the required financial ratios as of December 31, 2018.

GES USA did not meet the required debt service coverage ratio as of December 31, 2017, but it has applied to the bank for the exemption; under the loan agreements, the bank could increase the amount of reserve funds or reduce the loan quota, and such situation will not constitute a breach of the agreements.

Under the long-term loan agreement with Far Eastern International Bank, GES is a guarantor for Yong Liang and Yong Yeh; the Group should be in compliance with all of the following financial covenants in its annual and semiannual consolidated financial statements:

a) The leverage ratio (ratio of total liabilities to tangible net worth) should not exceed 150%; and

b) Tangible net worth should be at least $1.1 billion.

During the credit period, the agreement on the Far Eastern International Bank and EnTie Commercial Bank syndicated loans with Yong Han requires the maintenance of certain financial ratios based on the Corporation’s annual and semiannual consolidated financial reports. The related restrictions are as follows:

a) The current ratio (ratio of current assets to current liabilities) should not be less than 100%;

b) The leverage ratio (ratio of total liabilities to tangible net worth) should not exceed 300%;

c) The interest coverage ratio [(income before tax + depreciation + amortization + interest expense) ÷ interest expense] should not be less than 100%; and

d) Tangible net worth should be at least $2 billion.

The long-term loans of Yong Han and Yong Yue as mentioned above were sold to associate-New Cathay at the end of March, 2018. And the sale was carried out with the long-term loans.

As of December 31, 2018 and 2017, Yong Han did not meet the financial ratio required by the syndicated loan agreement. According to the agreement, when the Group breaches any agreed financial ratios, it should improve the ratios during the grace period from the date that the 2018 consolidated financial statements were authorized for issue. An additional 0.1% interest should be accrued during the improvement period, and such situations will not constitute a breach of the agreements.

The assets pledged as collaterals for long-term bank loans are shown in Note 43.

The unused amounts of long-term bank loan facilities were NT$901,905 thousand and NT$1,354,271 thousand as of December 31, 2018 and 2017, respectively.

2) Other loan restrictions are as follows:

a) Under its agreement with IMPA, GES estimated that the fair value of its call option was US$3,150 thousand (roughly NT$94,014 thousand) at the date the agreement was signed in December 2017. The revalued fair value at December 31, 2018 was US$2,701 thousand (roughly NT$83,032 thousand). The fair values were estimated using the Black-Scholes pricing model under the following assumptions:

i. The executed price was approximately US$13,347 thousand (measured by reference to the flip date fair value);

ii. The expected volatility was 18% and 17%, respectively;

iii. The expected term of the option was 4 years and 5 years, respectively; and

iv. Risk-free interest rate was 2.8% and 2.2%, respectively.

The expected volatility was derived from the average historical share volatilities of the entity and a peer group of public companies within the Group's industry which it considers to be comparable to its business over the period. The expected term of share options represents the period that the entity issues the shares until the flip date. The risk-free interest rate is based on the U.S. Treasury yield curve.

b) Under its agreement with IMPA, GES estimated that the fair value of its call option was US$3,538 thousand (roughly NT$108,758 thousand) at the date the agreement was signed in November 2017. The fair values were estimated using the Black-Scholes pricing model under the following assumptions:

i. The executed price was approximately US$14,051 thousand (measured by reference to the Flip Date fair value);

ii. The expected volatility was 18%;

iii. The expected term of the option was 5.5 years; and

iv. Risk-free interest rate was 2.9%.

In 2018, GES recognized $13,540 thousand of unrealized gain on financial liabilities at fair value through profit or loss, which was classified under "Gain on financial liabilities (assets) at fair value through profit or loss".

c) The Group entered into a loan agreement with IBT Leasing Co., Ltd., Jih Sun International Leasing & Finance Co., Ltd. and other non-financial institutions. Notes payable were used by the Group to repay the outstanding principal amount, including interest, in equal installments; as of December 31, 2018 and 2017, the sum of all outstanding installments were $342,353 thousand and $360,038 thousand, including interest amounting to $7,439 thousand and $11,412 thousand, respectively.

d. Preference share liabilities

	December 31	
	2018	**2017**
Class A preference shares	$ 60,051	$ 34,949
Translation adjustments	913	-
Less: Current portion	(16,481)	(8,530)
	$ 44,483	$ 26,419

1) Class A preference shares

For the purpose of tax deductions, the contents of the agreement included two parts as follows:

a) MEGASIXTEEN, a US subsidiary of GES, entered into a contract with MPC, a non-controlling interest, to setup a startup company, GES AC, in order to carry out the solar energy business and activities through its five limited liability companies; all of those limited liability companies entered into a 25-year sales contract with IMPA for the sale of electricity. As of December 31, 2018, the amount of injection from MPC and MEGASIXTEEN into Class A shares and Class B shares, respectively, are as follows:

i. Class A shares: MPC owns 32.41% of GES AC's outstanding common shares, amounting to US$11,920 thousand (roughly NT$347,105 thousand) and US$3,113 thousand (roughly NT$92,917 thousand). MPC will be given priority to receive 0.65% of the accumulated cash dividends with a fixed asset management fee on a quarterly basis. The Class A shareholders have voting rights and are entitled to 99% of the profit sharing during the first five years of GES AC's business operations.

ii. Class B shares: MEGASIXTEEN owns 67.59% of GES AC's outstanding common shares, amounting to US$24,862 thousand (roughly NT$723,987 thousand) and US$5,887 thousand (roughly NT$175,715 thousand). The Class B shareholders have voting rights, and GES AC's financial management and control remains under the control of Class B shareholders and is subject to a managing member fee. MEGASIXTEEN will receive 1% of the profit sharing during the first five years of GES AC's business operations.

The contract contained a financial liability component, which was not closely related to the host contract, amounting to $34,949 thousand. The obligation was designated on initial recognition as one to be classified as "Preference shares - current and non-current liabilities".

For 2018 and 2017, the Group paid preference share dividends of US$32 thousand (roughly NT$922 thousand) and zero, respectively, which was classified under "Finance costs - Puttable preference shares"; the Group paid the agreed amount in the form of cash dividends and a fixed asset management fee of US$317 thousand (roughly NT$9,576 thousand) as repayments of Class A preference shares. Cash dividends of US$53 thousand (roughly NT$1,639 thousand) were not yet paid out by the Group, and this was classified under "Other payables".

Five limited liability companies within GES AC estimated the fair value of total shareholdings to be US$13,433 thousand (roughly NT$412,941 thousand) and US$14,027 thousand (roughly NT$418,678 thousand), as of December 31, 2018 and 2017, respectively; the fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data; therefore the entities made estimates and judgments about their fair values using an income approach defined as using Level 3 inputs under IFRS 13 fair value measurement standards. The fair values using the Level 3 fair value measurement standards were estimated using the following significant assumptions, as of December 31, 2018 and 2017:

i. A discount rate of 7% and 6.8%, respectively;

ii. Final valuation based on a 0.5% lapse rate of tariff rates on long-term sales of electricity; and

iii. Financial multipliers by peer companies.

MEGASIXTEEN has the preferred rights to repurchase all Class A shares at the higher of the fair value or 5.5% of the amount of capital injection by MPC which is the value applicable under the contract; MEGASIXTEEN is expected to have such rights for a certain period of time starting from the flip date (December 2022). The long call option is estimated at a fair value of US$3,948 thousand (equivalent to approximately NT$117,840 thousand) and reevaluated at a fair value of US$3,760 thousand (equivalent to approximately NT$115,587 thousand) at December 31, 2018, using the Black-Scholes pricing model with the following significant assumptions:

i. The executed price of approximately US$656 thousand (measured by reference to the flip date fair value);

ii. The expected volatility of 18%~17%, respectively;

iii. The expected term of the option of 4 years and 5 years, respectively; and

iv. A risk-free interest rate of 2.8% and 2.2%, respectively.

The expected volatility is derived from the average historical share volatilities of the entity and a peer group of public companies within the entity's industry that the Group considers to be comparable to the entity's business over a period. The expected term of share options represents the period that the entity issues the shares to the flip date. The risk-free interest rate is based on the U.S. Treasury yield curve.

b) A US subsidiary of GES had injected capital in TEV II, and owned 50% legal right, and reinvested into TEV Solar to own 100% right. In order to carry out the solar energy business and activities through its three limited liability companies, a US subsidiary of GES entered into a contract with ACS, a non-controlling interest, to setup a startup company, AC GES Solar; all of those limited liability companies entered into a 25-year sales contract with IMPA for the sale of electricity. As of December 31, 2018, the amount of injection from ACS and TEV solar into Class A shares and Class B shares, respectively, are as follows:

i. Class A shares: ACS owns 33.81% of AC GES Solar's outstanding common shares, amounting to US$10,051 thousand (roughly NT$308,970 thousand). ACS will be given priority to receive 0.675% of the accumulated cash dividends with a fixed asset management fee on a quarterly basis. The Class A shareholders have voting rights and are entitled to 99% of the profit sharing during the first five and half years of AC GES Solar's business operations.

ii. Class B shares: A US subsidiary of GES owns 66.19% of AC GES Solar's outstanding common shares, amounting to US$19,674 thousand (roughly NT$604,780 thousand). The Class B shareholders have voting rights, and AC GES Solar's financial management and control remains under the control of Class B shareholders and is subject to a managing member fee. A US subsidiary of GES will receive 1% of the profit sharing during the first five and half years of AC GES Solar's business operations.

The contract contained a financial liability component, which was not closely related to the host contract, amounting to $33,756 thousand. The obligation was designated on initial recognition as one to be classified as "Preference shares - current and non-current liabilities".

Three limited liability companies within AC GES Solar estimated the fair value of total shareholdings to be US$14,050 thousand (roughly NT$431,901 thousand) as of December 31, 2018; the fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data; therefore the entities made estimates and judgments about their fair values using an income approach defined as using Level 3 inputs under IFRS 13 fair value measurement standards. The fair values using the Level 3 fair value measurement standards were estimated using the following significant assumptions, as of December 31, 2018:

i. A discount rate of 7%;

ii. Final valuation based on a 0.5% lapse rate of tariff rates on long-term sales of electricity; and

iii. Financial multipliers by peer companies.

TEV Solar has the preferred rights to repurchase all Class A shares at the higher of the fair value or 7% of the amount of capital injection by ACS which is the value applicable under the contract; TEV Solar is expected to have such rights for a certain period of time starting from the flip date (June 2024). The long call option is estimated at a fair value of US$4,149 thousand (equivalent to approximately NT$127,543 thousand) at December 31, 2018, using the Black-Scholes pricing model with the following significant assumptions:

i. The executed price of approximately US$704 thousand (measured by reference to the flip date fair value);

ii. The expected volatility of 18%;

iii. The expected term of the option of 5.5 years; and

iv. A risk-free interest rate of 2.9%, respectively.

The expected volatility is derived from the average historical share volatilities of the entity and a peer group of public companies within the entity's industry that the Group considers to be comparable to the entity's business over a period. The expected term of share options represents the period that the entity issues the shares to the flip date. The risk-free interest rate is based on the U.S. Treasury yield curve.

As of December 31, 2018 and 2017, GES recognized $5,669 thousand and zero loss on financial liabilities at fair value through profit or loss, which was classified under "Loss on financial liabilities (assets) at fair value through profit or loss".

2) Non-convertible Non-participating Redeemable Fixed Rate Cumulative First Preference Shares, Series A (“First Preference Shares, Series A”):

In their meeting on June 27, 2014, 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 $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 $50 per share per annum. If profit is not sufficient to make distributions on these shares, the shortfall will be carried over to the next year.

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

The FP Shares’ shareholders have a claim on the liquidation proceeds of a share Corporation equal to its par value. This claim has priority over that of ordinary shareholders, who have only a residual claim.

FP Shares’ shareholders do not have voting rights.

The FP Shares’ shareholders and ordinary shareholders have the same pre-emption rights when GES increases its capital by offering new ordinary shares.

Within three years after the FP Shares 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 until redemption.

GES’s board of directors approved the redemption and cancellation of FP Shares on August 4, 2017. The cancellation date and dividend distribution date was both on October 24, 2017. The cancellation of the FP shares and the 100% redemption for cash amounted to $537,232 thousand, calculated by the issuance amount of $470,000 thousand and unpaid dividends on the FP Shares of $67,232 thousand accumulated to October 23, 2017.

25. BONDS PAYABLE

	December 31	
	2018	**2017**
Secured overseas convertible bonds (a)	$ 3,614,497	$ 3,425,011
Less: Current portion	(3,614,497)	-
	$ -	$ 3,425,011

a. Secured overseas convertible bonds

On October 27, 2016, the Corporation issued the third secured overseas convertible bonds, listed on the Singapore Exchange. The convertible bonds contained the host liability instrument, the conversion option and derivative instrument of redemption option. The effective interest rate of the host liability instrument on initial recognition was 3.186% per annum, and the conversion option derivative instruments were measured at fair value through profit or loss.

Movements of the host liability instrument, the conversion option and derivative instrument of the redemption option are as follows:

	Host Liability Instrument		Conversion Option and Derivative Instrument of Redemption Option	
	US$	NT$	US$	NT$
Date of issue	$ 111,553	$3,518,939	$ 5,532	$ 174,728
Rate adjusted	-	81,974	-	8
Interest charged at an effective interest rate	631	20,244	-	-
Accrued interest payable	(160)	(5,119)	-	-
Loss due to changes in fair value	-	-	(5,520)	(174,349)
Balance at December 31, 2016	112,024	3,616,038	12	387
Rate adjusted	-	(273,624)	-	-
Interest charged at an effective interest rate	3,627	109,977	-	-
Accrued interest payable	(903)	(27,380)	-	-
Loss due to changes in fair value	-	-	(12)	(387)
Balance at December 31, 2017	114,748	3,425,011	-	-
Rate adjusted	-	103,951	-	-
Interest charged at an effective interest rate	3,744	112,981	-	-
Accrued interest payable	(909)	(27,446)	-	-
Loss due to changes in fair value	-	-	-	-
Balance at December 31, 2018	$ 117,583	$3,614,497	$ -	$ -

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

1) Current ratio (Current assets ÷ Current liabilities): At least 110%;

2) Debt to equity ratio (Total liabilities ÷ Total tangible net worth): No more than 125%, where contingent liabilities are included when total liabilities are calculated;

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

4) Tangible net worth: At least $10 billion..

The Corporation did not violate the required financial ratios as of December 31, 2018.

The Corporation did not meet the required current ratio, debt to equity ratio and tangible net worth as of December 31, 2017; thus, the Corporation transferred $1,861,336 thousand into the escrow account as required under the loan agreement, respectively. The Corporation was in compliance with the above ratio requirements except for the current ratio, debt to equity ratio and interest coverage ratio; though the financial ratios did not meet this requirement, it was not considered a breach of the agreement.

The assets pledged as collaterals for bonds payable are shown in Note 43.

26. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	December 31	
	2018	2017
Accrued expenses		
Bonus	$ 284,718	$ 152,376
Loss on contracts	260,480	851,730
Salaries	221,354	112,328
Interest	133,996	361,711
Others	1,192,561	1,058,796
	$ 2,093,109	$ 2,536,941
Other liabilities		
Deferred revenue	$ 245,677	$ 200,165
Advance receipts from customers	94,832	73,522
Others	21,606	14,478
	$ 362,115	$ 288,165
Current	$ 131,650	$ 98,835
Non-current	230,465	189,330
	$ 362,115	$ 288,165

27. PROVISIONS

	December 31	
	2018	2017
Current		
Customer returns and rebates	$ -	$ 1,609
Non-current		
Warranties	$ 305,138	$ 246,033

Customer returns and rebates

Balance at January 1	$ 1,609	$ 4,890
Reclassified to refund liability	(1,609)	-
Additions	-	2,119
Reversals	-	(4,249)
Usage	-	(1,149)
Effects of exchange rates	-	(2)
Balance at December 31	$ -	$ 1,609

(Continued)

	December 31	
	2018	2017
Warranties		
Balance at January 1	$ 246,033	$ 207,018
Additions	62,485	42,327
Usage	(3,306)	(3,235)
Effects of exchange rate changes	(74)	(77)
Balance at December 31	$ 305,138	$ 246,033

(Concluded)

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 in the periods the related goods were sold.

The Group has adopted IFRS 15 starting from January 1, 2018. The Group recognized the estimation of sales returns and allowances as a refund liability, which was classified under other current liabilities.

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits on the Group'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.

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.

28. RETIREMENT BENEFIT PLANS

The Group makes 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 Group's subsidiaries in the People's Republic of China (PRC) are members of a state-managed retirement benefit plan operated by the government of the PRC. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The Group's only obligations to the retirement benefit plan is to make contributions equal in the amount of the specified contributions.

29. EQUITY

a. Share capital

1) Ordinary shares

	December 31, 2018	December 31, 2017
Number of shares authorized (in thousands)	3,200,000	1,200,000
Amount of shares authorized	$ 32,000,000	$ 12,000,000
Number of shares issued and fully paid (in thousands)	2,515,759	1,019,256
Shares issued	$ 25,157,599	$ 10,192,564
Share premiums	963,007	6,020,328
	$ 26,120,606	$ 16,212,892

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

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

On March 21, 2017, the Corporation's board of directors approved an increase in its capital by an issuance of up to 180,000 thousand shares through private-placement shares, which was approved by the shareholders in their meeting on June 14, 2017. On January 29, 2018, the Corporation's board of directors resolved not to continue handling the private-placement issuance.

On October 16, 2017, the Corporation considered the development of the solar energy industry and the growth of future requirements in its investment strategy in order to expand its share in the solar energy industry and strengthen operating ability. The Corporation's board of directors approved to increase the investment in GES by 46,104,764 ordinary shares of GES by public tender offer (approximately 24.11% of the total issued ordinary shares of GES), and GES will become a 100%-owned subsidiary of the Corporation. As of November 6, 2017, the acquisition date, the Corporation acquired 43,090,282 shares, and obtained a total of 3,014,482 shares from other shareholders in November and December 2017.

On October 16, 2017, the Corporation's board of directors approved to sign the merger intent letter with Gintech and SEC, with the Corporation as the surviving company after the merger, and will be renamed United Renewable Energy Co., Ltd. as soon as possible after the effective date of the merger in order to reflect the equality and common objective of the merged companies which is to pursue progress of the merged company.

On January 29, 2018, the Corporation's board of directors approved to sign a merger agreement with Gintech and SEC, and the date of the merger is October 1, 2018. On March 28, 2018, the Corporation, Gintech and SEC approved the merger in their shareholders' meeting.

In connection with the combined contract, Gintech and SEC are entitled to convert outstanding ordinary shares, including private equity and restricted employee share options, through a share swap at a 1:1.39 and 1:1.17 ratio ("sum of the consideration"), respectively. Regarding the share swap, the Corporation expected a total capital increase of NT$11,644,007 thousand and issued new shares amounted to 1,164,401 thousand shares (including 40,122 thousand shares of private-placement shares,), all ordinary shares, with a par value of NT$10 which was approved by the FSC on July 23, 2018. On August 3, 2018, the Corporation's board of directors ruled that, due to the cancellation of part of the issue of employee rights shares issued by the Corporation, Gintech and SEC, the conversion equity was changed, and the new shares issued by the merger and capital increase were adjusted from 1,164,401 thousand shares to 1,164,020 thousand shares, the base date of the merger and the date of listing of the new shares issued by the capital increase were October 1, 2018.

To meet the needed amount of consideration to be paid for the combination through the issuance of ordinary shares and the liquidity requirement of the merged entity, the Corporation processed a NT$14,000,000 thousand capital increase. The Corporation's total amount of capital is NT$32,000,000 thousand after the capital increase. The number of ordinary shares issued with a par value of NT$10 was 3,200,000 thousand shares.

On January 29, 2018, the Corporation's board of directors approved to increase its capital by an issuance of up to 380,000 thousand shares through private-placement shares, which was also subject to approval by the shareholders in their meeting on March 28, 2018. On October 1, 2018, the Corporation's board of directors approved an increase of its capital by $2,781,307 thousand through a private placement of 334,292 thousand new ordinary shares at NT$8.32 per share with the effective date on October 15, 2018.

To integrate the overall resources and to improve the operational efficiency of the Group, on February 22, 2019, the Corporation's board of directors approved to sign a simplified merger agreement with 100% sharing subsidiary, GES, according to Article 19 of the Corporate Mergers and Acquisitions Act and other relevant laws and regulations, with the

Corporation as the surviving company and GES as the extinct company after the merger ("the merger"). Considering that the entire issued share capital of GES was held by the Corporation, the share capital of GES held by the Corporation will be cancelled at no cost on the date of the merger. In the merger, the Corporation does not need to pay in exchange for shares. The tentative date of the merger is March 31, 2019. If the date of the merger, other related matters or matters not resolved need to change because of the administrative guidance by competent authorities, laws, or changes in our objective or social environment, it is proposed to fully authorize the chairman or his designee to handle the matter.

b. Capital surplus

	December 31	
	2018	**2017**
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Share premiums	$ 963,007	$ 5,899,866
May only be used to offset a deficit (2)		
Share of change in equity interests of associates and joint ventures	42,000	-
Share premiums - employee restricted shares	-	117,440
Share premiums - employee share options	-	3,022
May not be used for any purpose		
Arising from employee restricted shares	6,016	7,837
	$ 1,011,023	$ 6,028,165

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

2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary resulting from equity transactions other than actual disposal or acquisition, or from changes in capital surplus of a subsidiary accounted for using the equity method and adjustments for the capital surplus generated from the convertible bonds when they expire.

c. Retained earnings and dividend policy

Under the dividend policy, if the Group made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 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 the Group's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors and supervisors before and after the amendment, refer to Note 31 (f).

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

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

Items referred to under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Group.

The offset of accumulated deficits for 2017 and 2016 had been proposed by the Corporation's board of directors on June 20, 2018 and had been approved in the shareholders' meeting on June 14, 2017, respectively. The information is as follows:

	Offset of Accumulated Deficits For the Year Ended December 31	
	2017	**2016**
Offset of Accumulated Deficits with capital surplus	$ 4,611,501	$ 6,309,786

	Offset of Accumulated Deficits
Offset of Accumulated Deficits with capital surplus	$ (369,468)

The offset of accumulated deficit in 2018 is subject to resolution in the shareholders' meeting expected to be held on June 17 , 2019.

d.Other equity items

1) Unrealized loss on available-for-sale financial instruments

	For the Year Ended December 31, 2017
Balance at January 1	$ (53,259)
Unrealized loss on revaluation of available-for-sale financial assets	(18,623)
Balance at December 31	$ (71,882)

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

2) Unrealized gain on financial assets at FVTOCI

	For the Year Ended December 31, 2018
Balance at January 1 per IAS 39	$ (71,882)
Adjustment on initial application of IFRS 9	(59,009)
Balance at January 1 per IFRS 9	(130,891)
Recognized during the period	
Unrealized gain - equity instruments	(397,006)
Balance at December 31	$(527,897)

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

e.Treasury shares

Purpose of Buy-back	Shares Held by Subsidiaries (In Thousands of Shares)

Number of shares at January 1, 2018	-
Acquisitions through business combinations	1,883
Number of shares at December 31, 2018	1,883

The Corporation acquired treasury shares as result of merging Gintech on October 1, 2018.

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
December 31, 2018			
UTECH SOLAR CORPORATION	1,883	$ 18,699	$ 14,747

The shares of the Corporation held by Utech has been treated as treasury stock. They are same as general shareholders except for the rights of cash injection and the rights of voting.

30. REVENUE

For the Year Ended December 31, 2018

	Reportable Segments				
	Modules	Solar Cells	Power Facilities	Others	Total
Revenue from contracts with customers					
Revenue from the sale of goods	$ 7,190,802	$ 3,249,827	$ 5,127	$ 47,663	$10,493,419
Revenue from the sale of power facilities	-	-	712,943	-	712,943
Revenue from construction contracts	-	-	613,411	-	613,411
Service revenue	-	-	236,975	1,143	238,118
Processing fee revenue	-	65,339	-	-	65,339
Revenue from the sale of electricity	-	-	14,196	-	14,196
Revenue from other activities	-	-	28,898	349,917	378,815
	7,190,802	3,315,166	1,611,550	398,723	12,516,241
Others					
Interest income from contracts with customers	-	-	386,893	-	386,893
Revenue from the sale of electricity	-	-	57,044	-	57,044
Revenue from other activities	-	-	23,698	44	23,742
	-	-	467,635	44	467,679
	$ 7,190,802	$ 3,315,166	$ 2,079,185	$ 398,767	$12,983,920

For the Year Ended December 31, 2017

	Reportable Segments				
	Modules	Solar Cells	Power Facilities	Others	Total
Revenue from contracts with customers					
Revenue from the sale of goods	$ 5,006,856	$ 3,737,631	$ 50,528	$ 49,580	$ 8,844,595
Revenue from construction contracts	-	-	605,792	-	605,792
Revenue from the sale of power facilities	-	-	15,205	-	15,205
Processing fee revenue	-	125,455	-	-	125,455

Revenue from other activities	-	-	425,275	231,565	656,840
	$ 5,006,856	$ 3,863,086	$ 1,096,800	$ 281,145	$10,247,887

a.Contract balances

	December 31, 2018
Notes and accounts receivable (Note 13)	$ 3,038,694
Contract assets	
Power facility construction contracts	$ 96,617
Less: Allowance for impairment loss	-
Contract assets - current	$ 96,617
Contract liabilities	
Sale of goods	$ 242,376
Power facility construction contracts	102,876
Contract liabilities - current	$ 345,252

The changes in the contract asset and the contract liability balances primarily result from the timing difference between the Group's performance and the customer's payment; other significant changes are as follows:

	For the Year Ended December 31, 2018
Contract assets	
Transfers of beginning balance to receivables	$ 56,819

Revenue of the reporting period recognized from the contract liabilities incurred from the beginning of the year and from the performance obligations satisfied in previous periods is as follows:

	For the Year Ended December 31, 2018
From contract liabilities incurred from the beginning of the year	
Sale of goods	$ 214,676
Power facility construction contracts	49,372
	$ 264,048

b. Disaggregation of revenue

	For the Year Ended December 31, 2018
Geographical markets	
Taiwan	$ 6,688,542
Germany	1,991,574
America	929,117
China	653,442
Others	2,253,566
	$ 12,516,241
Timing of revenue recognition	
Satisfied at a point in time	$ 11,882,068
Satisfied over time	634,173
	$ 12,516,241

c. Partially completed contracts

The transaction price, allocated to the performance obligations that are not fully satisfied and the expected timing for recognition of revenue are as below:

	December 31, 2018
Power facility construction contracts - in 2019	$ 97,038

The above information does not include contracts with expected duration equal to or less than one year.

31. COMPREHENSIVE INCOME (LOSS)

a. Other income and expenses

	For the Year Ended December 31	
	2018	2017
Impairment loss on property, plant and equipment	$(257,949)	$ (43,669)
Gain (loss) on disposal of non-current assets held for sale	(2,403)	1,383
Loss on disposal of property, plant and equipment	(26)	(116,086)
	$(260,378)	$(158,372)

b. Interest income and other income

	For the Year Ended December 31	
	2018	2017
Interest income		
Bank deposits	$ 69,250	$ 22,305
Financing provided to related parties	14,719	120,774
Puttable preference shares	11,487	19,090
Others	9,317	86
	$ 104,773	$ 162,255
Other income		
Insurance compensation income	$ 38,833	$ 4,627
Rental income	7,742	2,540
Late payment	6,822	-
Government grants	3,211	22,860
Others	40,778	55,302
	$ 97,386	$ 85,329

c. Finance costs

	For the Year Ended December 31	
	2018	2017
Interest on bank loans	$ 480,268	$ 295,925
Interest on convertible bonds	112,981	109,977
Interest on contract compensation	13,024	286,388
Other interest expense	47,135	33,862
	$ 653,408	$ 726,152

d. Depreciation and amortization

	For the Year Ended December 31	
	2018	2017
Property, plant and equipment	$ 2,031,556	$ 1,722,433
Intangible assets	16,678	15,958
	$ 2,048,234	$ 1,738,391
An analysis of depreciation by function		
Operating costs	$ 1,893,136	$ 1,651,767
Operating expenses	138,420	70,666

	$ 2,031,556	$ 1,722,433
An analysis of amortization by function		
Operating expenses	$ 16,678	$ 15,958

e. Employee benefits expense

	For the Year Ended December 31	
	2018	**2017**
Post-employment benefits (Note 28)		
Defined contribution plans	$ 64,183	$ 60,407
Share-based payments		
Equity-settled share-based payments	16,492	7,714
Other employee benefits	1,829,896	1,655,924
Total employee benefits expense	$ 1,910,571	$ 1,724,045
An analysis of employee benefits expense by function		
Operating costs	$ 1,270,508	$ 1,061,540
Operating expenses	640,063	662,505
	$ 1,910,571	$ 1,724,045

f. Employee's compensation and remuneration of directors and supervisors

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. The Corporation incurred a deficit for the year ended December 31, 2018, 2017 and 2016; thus, neither compensation to employees nor remuneration to directors was estimated.

If there is a change in the proposed amounts after the date the annual consolidated financial statements have been authorized for issue, the differences are accounted for as a change in accounting estimate in the following year.

Information on the compensation to employees and the remuneration to directors, approved by the Corporation's board of directors in 2019 and 2018 is available on the Market Observation Post System website of the Taiwan Stock Exchange.

g. Net gain (loss) on foreign currency exchange

	For the Year Ended December 31	
	2018	**2017**
Foreign exchange gains	$ 2,449,752	$ 741,778
Foreign exchange losses	(2,510,994)	(667,799)
Net profit (loss)	$ (61,243)	$ 73,979

h.Components of other comprehensive income

	For the Year Ended December 31	
	2018	2017
Unrealized loss on financial assets at FVTOCI		
Arising during the year	$(397,006)	$ -
Exchange difference on translating foreign operations:		
Arising during the year	$ 124,877	$(344,571)
Unrealized (losses) gains on available-for-sale financial assets:		
Arising during the year	$ -	$ (18,623)

32. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax (expense) benefit were as follows:

	For the Year Ended December 31	
	2018	2017
Current tax		
Current year	$(30,524)	$(27,483)
Prior periods	7,218	(1,780)
Income tax (expense) benefit recognized in profit or loss	$(23,306)	$(29,263)

A reconciliation of profit and current income tax benefit is as follows:

	For the Year Ended December 31	
	2018	2017
Loss before tax	$ (440,303)	$(4,130,726)
Income tax benefit at the 17% statutory rate	$ 88,601	$ 702,224
Non-deductible expenses in determining taxable income	(348,914)	(68,334)
Tax-exempt income	767	986
Income tax on unappropriated earnings	-	(1,486)
Effect of different tax rate of group entities operating in other jurisdictions	27,952	45,743
Unrecognized loss carryforwards	(519,221)	(537,324)
Additional income tax under the Alternative Minimum Tax Act	-	-
Unrecognized deductible temporary differences	(82,270)	(186,144)

Reversal of temporary difference	(50,658)	16,852
Adjustments for prior years' tax benefit	(1,391)	(1,780)
Income tax (expense) benefit recognized in profit or loss	$ (23,306)	$ (29,263)

In 2017, the applicable corporate income tax rate used by the group entities in the ROC is 17%. However, the Income Tax Act in the ROC was amended in February 2018, and the corporate income tax rate was adjusted from 17% to 20%, effective in 2018. In addition, the rate of the corporate surtax applicable to the 2018 unappropriated earnings will be reduced from 10% to 5%. The applicable tax rate used by subsidiaries in China is 25%. Tax rates used by other group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

b.Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2018	**2017**
Deferred tax		
In respect of the current year		
Exchange differences on translating foreign operations	$ 32,886	$ 33,039

c.Current tax assets and liabilities

	For the Year Ended December 31	
	2018	**2017**
Current tax assets		
Tax refund receivable	$ 75,426	$ 7,616
Prepaid income tax	901	941
	$ 76,327	$ 8,557
Current tax liabilities		
Income tax payable	$ 1,910	$ 19,462

d.Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2018

	Balance, Beginning of Year	**Recognized in Profit or Loss**	**Recognized in Other Comprehensive Income**	**Balance, End of Year**
Deferred tax assets				
Investment credits	$ 11,431	$ 342	$ -	$ 11,773
Loss carryforwards	-	422,426	-	422,426
Temporary differences				
Depreciation differences on property, plant and equipment	7,452	(25)	-	7,427

Credit loss on property, plant and equipment	-	1,175	-	1,175

(Continued)

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance, End of Year
Write-downs of inventories	$ 1,254	$ 502	$ -	$ 1,756
Exchange difference on translating foreign operation	33,039	-	(153)	32,886
Others	37,353	561,573	-	598,926
	$ 90,529	$ 985,993	$ (153)	$1,076,369
Deferred tax liabilities				
Temporary differences				
Unrealized foreign exchange gains	$ 17,381	$ 2,419	$ -	$ 19,800
Unrealized gains on financial instruments at fair value through profit or loss	28,678	927	-	29,605
Gain on disposal of subsidiaries at a percentage different from its earlier ownership percentage	-	6,206	-	6,206
Others	7,066	1,050	-	8,116
	$ 53,125	$ 10,602	$ -	$ 63,727

(Concluded)

For the year ended December 31, 2017

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance, End of Year
Deferred tax assets				
Investment credits	$ 12,362	$ (931)	$ -	$ 11,431
Temporary differences				
Depreciation differences on property, plant and equipment	8,332	(880)	-	7,542
Write-downs of inventories	4,263	(3,009)	-	1,254
Exchange difference on translating foreign operation	-	-	33,039	33,039

Others	20,473	16,880	-	37,353
	$ 45,430	$ 12,060	$ 33,039	$ 90,529

(Continued)

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance, End of Year
Deferred tax liabilities				
Temporary differences				
Unrealized foreign exchange gains	$ -	$ 17,381	$ -	$ 17,381
Revaluation gain on property, plant and equipment	-	-	-	-
Unrealized gains on financial instruments at fair value through profit or loss	31,611	(2,933)	-	28,678
Others	10,474	(3,408)	-	7,066
	$ 42,085	$ 11,040	$ -	$ 53,125

(Concluded)

The investment credits are mainly due to the subsidy policy of GES USA for the award of solar energy under the US policy, which gives a certain amount of investment tax credit according to the cost of the actual construction completed by the solar power plant.

e. Deductible temporary differences, unused loss carryforwards and unused investment credits for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2018	2017
Loss carryforwards		
Expiry in 2017	$ -	$ 3,336,455
Expiry in 2018	-	152,401
Expiry in 2019	137,565	137,955
Expiry in 2020	252,753	252,753
Expiry in 2021	1,244,132	1,244,133
Expiry in 2022	452,788	488,780
Expiry in 2023	114,308	-
Expiry in 2024	24,818	17,421
Expiry in 2025	381,127	610,985
Expiry in 2026	1,362,318	1,627,349
Expiry in 2027	1,985,339	2,597,532
Expiry in 2028	3,096,872	-
	$ 9,052,020	$ 10,465,764
Investment credits		
Purchase of machinery and equipment	$ -	$ 208,578

Deductible temporary differences	$ 6,050,553	$ 6,715,572

The tax losses of deferred taxes assets and the investment credits amounted to $176,462 and $268,390, respectively, which yet recognizes by GES USA. And the deductible year are 2016 to 2038.

Under Article 38 of the Business Mergers and Acquisitions Act, any loss of the Group and of DelSolar, Gintech Energy and Solartech Energy from within five years before the merger is tax-deductible pro rata by the shareholders' holding in the after-merger surviving company and can be deducted from its current year's profit from within 5 years. The last deduction year is due in 2018.

Under Article 43 of the Business Mergers and Acquisitions Act, amended on July 8, 2015, any loss of the Group, of Gintech Energy and of Solartech Energy from within ten years before the merger is tax-deductible pro rata by the shareholders' holding in the after-merger surviving company and can be deducted from its current year's profit from within 10 years. The last deduction year is due in 2028.

f. Information on tax - exemption

As of December 31, 2018, profits attributable to the following expansion projects were exempt from income tax for five years under the Statute for Upgrading Industries:

Statute for Upgrading Industries	Period
Expansion of the manufacturing plant acquired through a business combination	January 1, 2014-December 31, 2018
Third expansion of the manufacturing plant	January 1, 2015-December 31, 2019
Fourth expansion of the manufacturing plant	January 1, 2016-December 31, 2020
Fifth expansion of the manufacturing plant	January 1, 2017-December 31, 2021
Expansion of the manufacturing plant acquired through a business combination	January 1, 2017-December 31, 2021

g. Income tax assessments

The Corporation's income tax returns through 2015 have been assessed by the tax authorities.

33. LOSS PER SHARE

Unit: NT$ Per Share

	Years Ended December 31	
	2018	**2017**
Basic loss per share	$ (0.34)	$ (4.08)
Diluted loss per share	$ (0.34)	$ (4.08)

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 year

	Years Ended December 31	
	2018	**2017**
Loss for the year	$ (468,294)	$(4,154,163)
Effect of dilutive potential common share:		
Interest on convertible bonds (after tax)	-	-

Loss used in the computation of diluted loss per share	$ (468,294)	$(4,154,163)

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

	Years Ended December 31	
	2018	**2017**
Weighted average number of common shares used in the computation of basic loss per share	1,380,522	1,017,105
Effect of dilutive potential common shares:		
Convertible bonds	-	-
Restricted employee share options	-	-
Employee compensation or bonuses issued to employees	-	-
Employee share options	-	-
Weighted average number of common shares used in the computation of diluted loss per share	1,380,522	1,017,105

Since the Corporation is allowed to settle the remuneration of employees by cash or shares, whenever applicable, the Corporation assumes that the entire amount of the employee 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 Corporation's the outstanding convertible bonds, restricted employee share options and employee share options were anti-dilutive and were excluded from the computation of diluted loss per share.

34. SHARE-BASED PAYMENT ARRANGEMENTS

Issuance of shares reserved for employees subscription

No share options were granted for the year ended December 31, 2018 and 2017. Other information on the share option plan is as follows:

a. Replaced employee share option plan:

	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 nine months ended December 31, 2018				
Beginning balance	26	$ 51.90	234	$ 61.90
Options canceled	(26)	51.90	(234)	61.90
Ending balance	-	-	-	-

Options exercisable, end of period	-	-	-	-

b. 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 the 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 ordinary 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 V5 Technology's ordinary shares on the grant date. For any subsequent changes in V5 Technology's ordinary shares, the exercise price is adjusted accordingly.

Because the Corporation did not acquire any shares issued for cash of V5 Technology in August 2017, the Corporation's equity interest in V5 Technology decreased from 60.85% to 41.43%, and control of V5 Technology passed to the acquirer on that date and ceased to be incorporated in the consolidated financial statements.

Restricted share plan for employees

On March 21, 2017, the Corporation's board of directors approved of a restricted share plan amounting to $21,000 thousand, consisting of 2,100 thousand shares with a par value of $10. Such plan may require consideration to be paid by employees at $10 or $0 per share. On June 14, 2017, the shareholders in their meeting proposed to offer the restricted share plan for employees. The issuance of 2,100 thousand shares was approved by the Financial Supervisory Commission (FSC) on July 24, 2017.

On August 8, 2017, the Corporation's board of directors approved of a restricted share plan amounting to $21,000 thousand, consisting of 2,100 thousand shares with a par value of $10 per share and distributed out of earnings, which was granted on September 15, 2017 and issued on September 30, 2017. On the granted date, an actual amount of $18,550 thousand was issued, which consisted of 1,855 thousand shares with a fair value of $14.45 per share.

The Corporation replaced restricted share plan for employees due to the merger in October 1, 2018.

Replaced employee share option plan was as follows:

Restricted share plan for employees	**Original Number (In Thousands)**	**Outstanding Number (In Thousands)**	**Adjustment by Percentage of Outstanding Number (In Thousands)**
Gintech Energy	2,000	881	1,225
Solartech Energy	4,455	4,185	4,896

Information on issued employee restricted shares was as follows:

	Shares（In Thousands）	
	For Year Ended December 31	
	2018	**2017**
Beginning balance	1,761	761
Acquisitions through business combinations	6,121	-
Additions	-	1,855
Vested	(821)	(641)

Canceled	(1,809)	(214)
Ending balance	5,252	1,761

1) Formerly Neo Solar Power Corp. and Gintech Energy

To meet the vesting conditions, an employee has to meet performance conditions over the vesting period as follows:

a) Still on service one year after the grant date with a high rating based on the current year's performance appraisal - vesting of 50% of restricted shares;

b) Still on service two years after the grant date with a high rating based on the prior year's performance appraisal - vesting of 50% of restricted shares.

The restrictions on the rights of the employees who acquire the restricted shares but have not met the vesting conditions are as follows:

a) In addition to those disclosed in the restricted share plan, the employees should not sell, pledge, transfer, donate or in any other way dispose of these shares.

b) On behalf of employees, the Corporation signed a trust contract on the restricted shares with a trust institution; thus, based on this contract, the rights of attendance, proposal, speech and voting have all been entrusted to the trust institution.

If an employee fails to meet the vesting conditions, the Corporation will buy back the restricted shares at the offering price and have them canceled but not the share and cash dividends during the period of noncompliance with vesting conditions.

2) Formerly Solartech Energy

Employees are able to subscribe for the restricted shares at $5 per share when they meet the vesting conditions. To meet the vesting conditions, an employee has to meet performance conditions over the vesting period as follows:

a) Still on service three years after the grant date with a high rating based on the prior year's performance appraisal - vesting of 50% of restricted shares.

The restrictions on the rights of the employees who acquire the restricted shares but have not met the vesting conditions are as follows:

a) In addition to those disclosed in the restricted share plan, the employees should not sell, pledge, transfer, donate or in any other way dispose of these shares.

If an employee fails to meet the vesting conditions, the Corporation will buy back the restricted shares at the offering price and have them canceled

The Corporation recognized compensation costs of $16,492 thousand and $7,668 thousand for the years ended December 31, 2018 and 2017, respectively.

35. BUSINESS COMBINATIONS

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Gintech Energy	Solar-related business	October 1, 2018	100	$ 7,314,880
Solartech Energy	Solar-related business	October 1, 2018	100	4,399,288
				$11,714,168

Gintech Energy and Solartech Energy were acquired in order to continue the expansion of the Group's activities in manufacturing solar cells and other solar related business.

a.Consideration transferred

	Gintech Energy	Solartech Energy
Common share	$ 7,308,198	$ 4,386,582
Restricted shares for employees	6,682	12,706
	$ 7,314,880	$ 4,399,288

b.Assets acquired and liabilities assumed at the date of merger

	Gintech Energy	Solartech Energy
Current assets	$ 8,460,024	$ 2,706,596
Property, plant and equipment	7,413,796	4,784,477
Intangible assets	14,133	3,498
Other non-current assets	1,091,060	3,671,817
Current liabilities	(4,292,347)	(2,804,906)
Non-current liabilities	(4,661,519)	(2,383,978)
	$ 8,025,147	$ 5,977,504

The initial accounting for the acquisition of Gintech Energy and Solartech Energy was only provisionally determined at the end of the reporting period. The tax bases of Gintech Energy and Solartech Energy's assets were required to be reset based on the market values of the assets. At the date of issuance of these consolidated financial statements, the Group has restated the tax bases as if the initial accounting was completed on the acquisition date.

c.Non-controlling interests

The fair values of non-controlling interests of Gintech Energy and Solartech Energy (1.7% and 0.5% of total equity, respectively) were $27,179 thousand and $214 thousand measured at the acquisition date by using the market-based and asset-based approach.

The key inputs in the market-based measure were the value of cash injection and the value of non-controlling interests that was deducted to reflect the value of the company. Asset-based measure involved the evaluation of the total value of assets and liabilities of the evaluation targets and including non-controlling interests to reflect the value of the company.

d.Gain on bargain purchase due to consolidation

	Gintech Energy	Solartech Energy
Consideration transferred	$ 7,314,880	$ 4,399,288
Plus: Fair value of the acquirer's previously held equity interest	-	-
Plus: Non-controlling interests	27,179	214
Less: Fair value of identifiable net assets acquired of Gintech Energy and Solar Energy	(6,023,001)	(5,296,758)
Less: Fair value of identifiable net assets acquired of Gintech Energy and Solar Energy's subsidiaries	(2,002,146)	(707,746)
	$ (683,088)	$(1,578,002)

e. Net cash inflow due to consolidation

	Gintech Energy	Solartech Energy
Consideration paid in cash	$ -	$ -
Less: Cash inflow due to consolidation	(5,507,365)	(340,165)
	$(5,507,365)	$ (340,165)

f. Impact of acquisitions on the results of the Group

The results of the acquirees since the acquisition date included in the consolidated statements of comprehensive income are as follows:

	Gintech Energy	Solartech Energy
Revenue	$ 2,016,053	$ 689,709
Loss	$ (649,676)	$ (326,322)

Had these business combinations of Gintech Energy and Solar Energy been in effect at the beginning of the annual reporting period, the Group's revenue from continuing operations would have been $21,101,207 thousand and $3,391,601 thousand for the year ended December 31, 2018. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2018, nor is it intended to be a projection of future results.

In determining the pro-forma revenue and profit of the Group had Gintech Energy and Solar Energy been acquired at the beginning of the current reporting period, the management had:

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

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

36. SUBSIDIARIES ACQUIRED

	Principal Activity	Date of Acquisition	Percentage of Voting Equity Interests Acquired (%)	Consideration Transferred
GES KYUSHU	Solar - related business	October 3, 2017	100	$ 102,946
Hashimoto	Solar - related business	October 3, 2017	100	44,521
				$ 147,467

The above subsidiaries were acquired to effectively integrate the Group's overall resources on 2017, diversify the Group's business, expand its operating scale, enhance its operating performance and boost its competitiveness.

a.Consideration transferred

	GES KYUSHU	Hashimoto
Cash	$ 102,946	$ 44,521

b.Assets acquired and liabilities assumed at the date of merger

	GES KYUSHU	Hashimoto
Current assets	$ 1,852	$ 13,568
Property, plant and equipment	455,758	218,837
Intangible assets	73,642	35,773
Other non-current assets	2,357	12,038
Current liabilities	(406,687)	(228,538)
	$ 126,922	$ 51,678

The tax bases of GES KYUSHU's and Hashimoto's assets were required to be reset on the basis of market values of the assets. The initial accounting for the acquisition of GES KYUSHU and Hashimoto had been completed as of the balance sheet date and the figures have been restated as if the initial accounting was completed on the acquisition date.

The fair value of GES KYUSHU and Hashimoto were determined with reference to the valuation report. This fair value was estimated by applying an income approach. The following were the key assumptions used in determining the fair value:

1) A discount rate of 5.2% and 7.4%, respectively;

2) The future values is based on a continuous decline rate of 0.5% of the long-term purchases of electricity rates; and

3) Financial parameters of companies similar to GES KYUSHU and Hashimoto.

c.Goodwill recognized on acquisitions

	GES KYUSHU	Hashimoto
Consideration transferred	$ 102,946	$ 44,521
Plus: Fair value of the acquirer's previously held equity interest	23,976	7,157
Less: Fair value of identifiable net assets acquired	(126,922)	(51,678)
Goodwill recognized on acquisitions	$ -	$ -

The fair value of the 45% equity of GES KYUSHU and Hashimoto before the acquisition date were equivalent as at the carrying amount, and therefore, no profit or loss was recognized

d. Net cash inflow due to consolidation

	GES KYUSHU	Hashimoto
Consideration paid in cash	$ 102,946	$ 44,521
Less: Cash inflow due to consolidation	(1,852)	(2,134)
	$ 101,094	$ 42,387

e. Impact of acquisitions on the results of the Group

The results of the acquirees since the acquisition date included in the consolidated statements of comprehensive income are as follows:

	GES KYUSHU	Hashimoto
Revenue	$ 150	$ 4,588
(Loss) profit	$ (684)	$ 2,790

If the business combination of GES KYUSHU and Hashimoto had been in effect at the beginning of the annual reporting period, the Corporation's revenue would be $10,257,557 thousand and the loss would be $4,151,933 thousand for the year ended December 31, 2017. This pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Corporation that would actually be achieved had the acquisition been completed on January 1, 2016, nor is it intended to be a projection of future results.

In determining the Corporation's pro forma revenue and profit (loss) had the above subsidiaries been acquired at the beginning of the current 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 combinations 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 combinations.

37. DISPOSAL OF SUBSIDIARIES

Yong Han and Yong Yeh, which carried out its entire solar-related businesses in Taiwan, were disposed of in March 2018, and control of Yong Han and Yong Yeh passed to the acquirer, Neo Cathay, on that date.

MEGASEVEN, MEGAELEVEN and MEGAFIFTEEN, which carried out theirs entire solar-related businesses in the USA, were disposed of in June 2018, and control of MEGASEVEN, MEGAELEVEN and MEGAFIFTEEN passed to the acquirer on that date.

True Honour Limited was an investment company which was cancelled in October 2018 and returned the shares in December 2018.

GES KYUSHU carried out its entire solar-related business in Japan. The disposal was completed in October 2018, and control of GES KYUSHU was passed to the acquirer on that date.

POTTERS BAR, CLAY CROSS, BELPER, Bryncrynau and Meadowley, which carried out their entire solar-related business in the United States. The disposal was completed in October 2018, and control of the subsidiaries of NSP Indygen was passed to the acquirer on that date.

CEC Solar #1117, CEC Solar #1118, CEC Solar #1119, CEC Solar #1121, CEC Solar #1122, CEC Solar #1128, CEC Solar #1130, CEC Solar #1133, and Ewauna, which carried out their entire solar-related business in the United States. The disposal to related party CF Lessee LOB LLC was completed in the fourth quarter of 2018, and control of the subsidiaries of CFR was passed to the acquired on that date.

On May 30, 2017, the Group had signed an agreement of disposal of Abacus. Abacus, which carried out its entire solar-related business in Japan, was disposed of in June, 2017, and control of Abacus passed to the acquirer on that date.

GES FUKUSHIMA, which carried out its entire solar-related business in Japan, was disposed of in July 2017, and control of GES FUKUSHIMA passed to the acquirer on that date.

The Corporation did not acquire any shares of V5 Technology issued for cash in August 2017, and the Corporation’s equity interests in V5 Technology decreased from 60.85% to 41.43%, and control of V5 Technology was passed to the acquirer on that date.

MEGAFOURTEEN, which carried out its entire solar-related business in the United States, was disposed of in November 2017, and control of MEGAFOURTEEN passed to the acquirer on that date.

a. Consideration received from the disposal

	For the Year Ended December 31, 2018			
	Taiwan	**USA**	**Japan**	**UK**
Consideration received in cash and cash equivalents	$ 144,476	$ 754,309	$ 279,206	$ 157,315
Sales proceeds receivable	4,960	26,325	-	-
Total consideration received	$ 149,436	$ 780,634	$ 279,206	$ 157,315

	For the Year Ended December 31, 2017		
	Taiwan	**USA**	**Japan**
Consideration received in cash and cash equivalents	$ -	$ 103,638	$ 384,222
Sales proceeds receivable	-	(21,015)	-

Total consideration received	$ -	$ 82,623	$ 384,222

b.Analysis of asset and liabilities on the date control was lost

	For the Year Ended December 31, 2018			
	Taiwan	**USA**	**Japan**	**UK**
Current assets				
Cash and cash equivalents	$ 23,714	$ -	$ 93	$ 96,411
Lease receivables	262,134	-	509,214	-
Other receivables	2,163	-	-	-
Other receivables from related parties	64,090	-	-	-
Construction in progress	-	339,295	-	895,694
Others	6,759	650	624	-
Non-current assets				
Property, plant and equipment	92,912	432,238	-	-
Others	24,706	-	4,693	-
Current liabilities				
Accounts payable	-	-	-	(189,359)
Payables to contractors and equipment suppliers	(8,908)		-	-
Current tax liabilities	(392)	-	-	-
Accrued expenses	(163,013)	-	(416,601)	(739,286)
Non-current liabilities				
Long-term bank loans	(178,231)	-	-	-
Net assets disposed of	$ 125,934	$ 772,183	$ 98,023	$ 63,460

	For the Year Ended December 31, 2017		
	Taiwan	**USA**	**Japan**
Current assets			
Cash and cash equivalents	$ 29,914	$ -	$ 4,234
Accounts receivable	23,843	-	-
Accounts receivable-related parties	2,415	-	-
Financial lease receivables	-	-	1,306,805
Inventories	21,417	-	-
Other receivables	493	-	23,629
Prepayments	6,583	-	-
Others	176	-	-
Non-current assets			
Property, plant and equipment	-	98,428	92,559
Intangible assets	12,065	-	81,473
Refundable deposits	412	-	-
Others	1,247	-	-
Current liabilities			
Notes and accounts payable	(2,991)	-	-

Receipts in advance	(2,000)	-	-
Current tax liabilities	-	-	(8,239)
Accrued expenses	(9,684)	-	(1,352,291)
Others	(288)	-	(1)
Net assets disposed of	$ 83,602	$ 98,428	$ 147,539

c.Gain (loss) on disposal of subsidiaries

	For the Year Ended December 31, 2018			
	Taiwan	USA	Japan	UK
Consideration received	$ 149,436	$ 780,634	$ 279,206	$ 157,315
Realized gain	6,927	3,848	-	-
Intangible assets - contracts with customers	-	-	(72,085)	-
Net assets disposed of	(125,934)	(772,183)	(98,023)	(63,460)
Gain on disposal	$ 30,429	$ 12,299	$ 109,098	$ 93,855

	For the Year Ended December 31, 2017		
	Taiwan	USA	Japan
Consideration received	$ -	$ 103,638	$ 384,222
Fair value of interests hold	83,580	-	-
Net assets disposed of	(83,602)	(98,428)	(147,539)
Non-controlling interests	33,019	-	-
Realized gain	3,509	-	11,406
Translation adjustment	-	-	(12,400)
Gain on disposal	$ 36,506	$ 5,210	$ 235,689

d.Net cash inflow on disposal of subsidiaries

	For the Year Ended December 31, 2018			
	Taiwan	USA	Japan	UK
Consideration received in cash and cash equivalents	$ 144,476	$ 754,309	$ 279,206	$ 157,315
Less: As-of-yet received accounts receivable of disposal	(23,714)	-	(93)	(96,411)
	$ 120,762	$ 754,309	$ 279,113	$ 60,904

	For the Year Ended December 31, 2017		
	Taiwan	USA	Japan
Consideration received in cash and cash equivalents	$ -	$ 103,638	$ 384,222
Less: As-of-yet received accounts receivable of disposal	-	(21,015)	-
Cash and cash equivalent balances disposed of	(29,914)	-	(4,234)
	$ (29,914)	$ 82,623	$ 379,988

38. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On October 16, 2017, the Corporation considers the development of the solar energy industry and the growth of future requirement in its investment strategy in order to expand its share in the solar energy industry and strengthen operating ability, the Corporation's board of directors approved to increase the investment in GES by 46,104,764 ordinary shares of GES by public tender offer (approximately 24.11% of the total issued ordinary shares of GES), and GES will become 100%-owned subsidiary of the Corporation. As of November 6, 2017, the acquisition date, the Corporation acquired 43,090,282 shares and obtained a total of 3,014,482 shares from other shareholders in November and December 2017.

On April 13, 2017, the Corporation acquired 45 thousand shares of New Castle for $441 thousand, which resulted in an increase of the Corporation's equity interests in New Castle from 55.00% to 100.00%. New Castle has been dissolved and liquidated in the fourth quarter of 2017 due to failing to achieve investment returns.

The above transaction was accounted for as an equity transaction since the Group did not cease to have control over the subsidiary.

	For the Year Ended December 31	
	2017	
	GES	New Castle
Cash consideration received paid	$ (954,369)	$ (441)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from (to) non-controlling interests	453,787	441
Other equity attributable to shareholders of the Corporation adjustment		
Exchange difference on translating foreign operations	40,612	-
Differences arising from equity transaction	$ (459,970)	$ -
Line items adjusted for equity transaction		
Capital surplus - difference between consideration and carrying amounts adjusted for changes in percentage of ownership in subsidiaries	$ (14,023)	$ -
Unappropriated earnings	(445,947)	-
	$ (459,970)	$ -

39. OPERATING LEASE ARRANGEMENTS

The Group as lessee

The Corporation leases Hsin-chu plants, Zhu-nan plants and lands and Hukou plants from the Science-Based Industrial Park Administration and GES, respectively, under renewable agreements expiring in December 2026, December 2037 and December 2019, with annual rentals of $10,260 thousand, $9,269 thousand and $4,606 thousand, respectively.

The Corporation leases Taipei office, Kaohsiung office, Taipei parking lots and Zhu-nan dormitory, the lease periods range from 1 to 4 years, with annual rentals of $4,080 thousand, $716 thousand, $80 thousand and $3,648 thousand, respectively.

GES originally leased plants in Hukou from Hsin Lung Accessories Co., Ltd. under agreements expiring in December 2019. However, due to the process of business combination of the corporation, GES turned to rent office from the Corporation under renewable agreements expiring in December 2019. No default compensation has to be paid for the earlier relocation. Other lease contracts are with HOTAI Leasing Corporation for the company cars under renewable agreements expiring in December 2020.

Yong Zhou, Yong Liang, Yong Yao, Yong Shun and Hashimoto signed 20-year operating lease contracts with unrelated third parties for the use of property such as agricultural and livestock farms for the installation of power plants; these contracts, with total annual rentals of $30,221 thousand, are renewable and will expire in annual succession up to December 2038.

ET ENERGY signed 15-year operating lease contracts with Indianapolis International Airport on the use of property for the installation of power plants; these contracts are renewable and will expire in December 2027 with annual rentals of $7,847 thousand.

GES MEGAFIVE signed 20-year operating lease contracts with Washington Township Land, LLC on the use of property for the installation of power plants; these contracts are renewable and will expire in January 2036 with annual rentals of $383 thousand.

GES MEGATWELVE signed 20-year operating lease contracts with City of Plymouth, Indiana on the use of property for the installation of power plants; these contracts are renewable and will expire in January 2037 with annual rentals of $45 thousand.

As of December 31, 2018 and 2017, refundable deposits paid under operating leases were $32,539 thousand and $23,894 thousand, respectively.

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

	December 31	
	2018	**2017**
Up to 1 year	$ 57,271	$ 58,777
Over 1 year and up to 5 years	277,023	260,665
Over 5 years	660,669	639,470
	$ 994,963	$ 958,912

The lease payments recognized as expenses were as follows:

	For the Year Ended December 31	
	2018	**2017**
Minimum lease payments	$ 82,637	$ 76,140

40. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group 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 Group 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 Group 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.

41. FINANCIAL INSTRUMENTS

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

December 31, 2018

	Carrying Amount	Fair Value Level 1	Level 2	Level 3	Total
Financial assets					
Lease receivables (including current and non-current portions)	$ 5,626,874	$ -	$ -	$ 5,644,187	$ 5,644,187
Financial liabilities					
Financial liabilities measured at amortized cost					
Bonds payable	$ 3,614,497	$ -	$ -	$ 3,561,877	$ 3,561,877

December 31, 2017

	Carrying Amount	Fair Value Level 1	Level 2	Level 3	Total
Financial assets					
Lease receivables (including current and non-current portions)	$ 3,993,789	$ -	$ -	$ 4,012,410	$ 4,012,410
Financial liabilities					
Financial liabilities measured at amortized cost					
Bonds payable	$ 3,425,011	$ -	$ -	$ 3,390,979	$ 3,390,979

The fair values of the financial assets and financial liabilities included in the Level 3 categories above have been determined in accordance with the income approach based on a discounted cash flow analysis, with the most significant unobservable input being the discount rate that reflects the credit risk of counterparties.

The fair value of lease receivables was determined with a discount rate in accordance with the interest rates of the sales with buyback agreements with similar terms.

The fair value of the liability component of convertible bonds, assuming redemptions on October 27, 2019 was determined a with discount rate in accordance with interest rates based on loans with similar terms.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Long call options	$ -	$ -	$ 243,130	$ 243,130
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Securities listed in the ROC	$ 1,477,560	$ 115,920	$ -	$ 1,593,480
Equity securities				
Domestic unlisted shares	-	-	93,661	93,661
Foreign unlisted shares	-	-	42,090	42,090
	$ 1,477,560	$ 115,920	$ 135,751	$ 1,729,231
Financial liabilities at FVTPL				
Short call options	$ -	$ -	$ 191,790	$ 191,790

December 31, 2017

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Securities listed in the ROC				
Equity securities	$ 5,815	$ 103,250	$ -	$ 109,065
Financial assets at FVTPL				
Long call options	$ -	$ -	$ 117,840	$ 117,840
Put options	-	-	23,674	23,674
Foreign exchange forward contracts	-	106	-	106
	$ -	$ 106	$ 141,514	$ 141,620
Financial liabilities at FVTPL				
Short call options	$ -	$ -	$ 94,014	$ 94,014
Foreign exchange forward contracts	-	5,742	-	5,742
	$ -	$ 5,742	$ 94,014	$ 99,756

There were no transfers between Level 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2018

	Financial Assets at Fair Value Through Profit or Loss		Financial Assets at Fair Value Through Other Comprehensive Income
	Long Call Options	**Put Options**	**Equity Instruments**
Financial assets			
Balance at January 1, 2018 per IAS 39	$ 117,840	$ 23,674	$ -
Adjustment on initial application of IFRS 9	-	-	94,363
Balance at January 1, 2018 per IFRS 9	117,840	23,674	94,363
Acquisitions through business combinations	-	-	66,245
Purchases	127,543	-	59,086
Recognized in profit or loss - unrealized	(5,669)	-	(83,943)
Recognized in profit or loss - realized	-	(23,674)	-
Effect of exchange rate changes	3,416	-	-
Balance at December 31, 2018	$ 243,130	$ -	$ 135,751

	Financial Liabilities at Fair Through Profit or Loss
	Short Call Options
Financial liabilities	
Balance at January 1, 2018	$ 94,014
Additions	108,758
Recognized in profit or loss - unrealized	13,540
Effect of exchange rate changes	(24,522)
Balance at December 31, 2018	$ 191,790

For the year ended December 31, 2017

	Financial Assets at Fair Through Profit or Loss	
	Long Call Options	Put Options
Financial assets		
Balance at January 1, 2017	$ -	$ -
Additions	117,840	43,789
Recognized in profit or loss - unrealized	-	(20,115)
Balance at December 31, 2017	$ 117,840	$ 23,674

	Financial Liabilities at Fair Through Profit or Loss	
	Short Call Options	Redemption and Conversion Options
Financial liabilities		
Balance at January 1, 2017	$ -	$ 387
Additions	94,014	-
Recognized in profit or loss - unrealized	-	(387)
Balance at December 31, 2017	$ 94,014	$ -

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

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

4) Valuation techniques and inputs applied for the purpose of Level 3 fair value measurement

a) Put options

The Black-Scholes model was used to determine the fair value of the put options redeemed, and the most significant unobservable input was volatility. An increase in the historical volatility used in isolation would result in an increase in the fair value of these put options. As of December 31, 2017, the volatility used were 25.20% and 26.54%, respectively.

Sensitivity analysis

The Group's sensitivity analysis evaluated that the fair values of financial instruments were reasonable except for the impact of possible changes in the evaluation model or evaluation parameters which may cause different outputs in the result of the evaluation. For financial instruments defined as Level 3 inputs, impacts of possible changes in the evaluation method on profit or loss and other comprehensive income or loss in the current period were as follows:

	Inputs	Increase (+)/ Decrease (-)	Profit or Loss Changes Arising from Fair Value Movements	OCI Changes Arising from Fair Value Movements
For the year ended December 31, 2017				
Financial assets at Fair value through profit or loss				
Put options	25.20%	+0.5%	$ 106	-
Put options	26.54%	+0.5%	$ 117	-

The favorable and unfavorable changes arose from fluctuations in the fair values, which required management inputs that are both significant to the fair value measurement and unobservable. The table above shows the impact on the fair values of financial instruments if they were affected by only one isolated input. The variability and correlation among those inputs were not taken into consideration.

b) Long call options and short call options

Long call options and short call options use the options pricing model to determine their fair value, and the most significant unobservable input was volatility. An increase in the historical volatility used in isolation would result in an increase in the fair value of these options. As of December 31, 2018 and 2017, the volatilities used were 18.00% and 17.00%, respectively.

Sensitivity analysis

The Group's sensitivity analysis evaluated that the fair values of financial instruments were reasonable, except for the impact of possible changes in the evaluation model or evaluation parameters which may cause different outputs in the result of the evaluation. For financial instruments defined as Level 3 inputs, the impacts of possible changes on the evaluation method on profit or loss and other comprehensive income or loss in the current period were as follows:

	Inputs	Increase (+)/ Decrease (-)	Profit or Loss Changes Arising From Fair Value Movements	OCI Changes Arising From Fair Value Movements
The year ended December 31, 2018				
Financial assets at fair value through profit or loss				

Long call options	7.00%	+0.5%	$ (10,660)	-
	7.00%	-0.5%	11,396	-
			$ 736	

(Continued)

	Inputs	Increase (+)/ Decrease (-)	Profit or Loss Changes Arising From Fair Value Movements	OCI Changes Arising From Fair Value Movements
Short call options	7.00%	+0.5%	$ 22,710	-
	7.00%	-0.5%	(25,466)	-
			$ (2,756)	
For the year ended December 31, 2017				
Financial assets at fair value through profit or loss				
Long call options	6.80%	+0.5%	$ (5,369)	-
	6.80%	-0.5%	5,748	-
			$ 379	
Short call options	6.80%	+0.5%	$ 11,783	-
	6.80%	-0.5%	(13,252)	-
			$ (1,469)	

(Concluded)

The favorable and unfavorable changes arose from fluctuations in the fair values, which required management inputs which are both significant to the fair value measurement and are unobservable. The table above shows the impact on the fair values of financial instruments if they were affected by only one isolated input. The variability and correlation among those inputs were not taken into consideration.

c) Domestic and foreign unlisted shares

The fair values of domestic and foreign unlisted shares are mainly determined by the asset approach and the market approach.

A market approach is a method of determining the appraisal value of assets or liabilities, based on the selling price of similar items. The Black-Scholes model was used to determine the fair value of domestic and foreign unlisted shares, and the most significant unobservable inputs were price multiplier and volatility. An increase in the price multiplier used in isolation would result in an increase in the fair value of these equity instruments.

An increase in the volatility used in isolation would result in a decrease in the fair value of these equity instruments. As of December 31, 2018, the price multiplier and volatility used to determine the fair value of domestic unlisted shares were 1.4100 and 30.00%, respectively, while the price multiplier and volatility used to determine the fair value of foreign unlisted shares were 1.3100 and 35.06%, respectively.

Sensitivity analysis

The Group's sensitivity analysis evaluated that the fair values of financial instruments were reasonable, except for the impact of possible changes in the evaluation model or evaluation parameters which may cause different outputs in the result of the evaluation. For financial instruments defined as Level 3 inputs, the impacts of possible changes in the evaluation method on profit or loss and other comprehensive income or loss in the current period are as follows:

	Input	Increase (+)/ Decrease (-)	Profit or Loss Changes Arising From Fair Value Movements	OCI Changes Arising From Fair Value Movements
For the year ended December 31, 2018				
Financial assets at fair value through other comprehensive income				
Domestic unlisted shares	1.4100	+5.0%	-	$ 2,236
	1.4100	-5.0%	-	(2,236)
	30.00%	+1.0%	-	(647)
	30.00%	-1.0%	-	647
Foreign unlisted shares	1.3100	+5.0%	-	967
	1.3100	-5.0%	-	(967)
	35.06%	+1.0%	-	(346)
	35.06%	-1.0%	-	349
				$ 3

d) Conversion and redemption options

The fair values of redemption and conversion options are determined using the binomial tree valuation model where the significant unobservable input is historical volatility. An increase in the historical volatility used in isolation would result in an increase in the fair value. As of December 31, 2018 and 2017, the historical volatility used was 42.75% and 27.08%, respectively.

c.Categories of financial instruments

	December 31 2018	2017
Financial assets		
FVTPL		
Held for trading	$ -	$ 141,620
Mandatorily at FVTPL	243,130	-
Loans and receivables (Note 1)	-	11,549,608
Available-for-sale financial assets (Note 2)	-	163,611
Financial assets at amortized cost (Note 3)	19,111,812	-
Financial assets at FVTOCI		
Equity instruments	1,729,231	-

(Continued)

	December 31	
	2018	**2017**
<u>Financial liabilities</u>		
FVTPL		
Held for trading	$ 191,790	$ 99,756
Amortized cost (Note 4)	30,382,755	20,581,872

(Concluded)

Note 1: The balances include cash and cash equivalents, notes and accounts receivable, accounts receivable from related parties, pledged time deposits, restricted deposits, other receivables, debt investments with no active market, etc. that were measured at amortized cost.

Note 2: The balances include available-for-sale financial assets measured at cost.

Note 3: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable, accounts receivable from related parties, pledged time deposits, restricted deposits, other receivables and debt investments, etc.

Note 4: The balances include short-term loans, short-term bills payable, notes and accounts payable, accounts payable to related parties, amount due to customers for construction contracts, accrued expenses, long-term loans, bonds payable, preference share liabilities, etc. and were carried at amortized cost.

d. Financial risk management objectives and policies

The Group's major financial instruments included equity, accounts receivable, accounts payable, bonds payable and borrowings. The Group'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 Group 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 Group 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 Group'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 non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors continually. The Group does not enter into financial instrument contracts or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function, an independent organization that monitors risks and policies implemented to mitigate risk exposures, reports quarterly to the Group's board of directors and audit committee:

1) Market risk

The Group's activities exposed the Group primarily to the financial risks of exchange rate changes (see [a] below) and interest rates (see [b] below). The Group 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 Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

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

The Group 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 USD, EUR and JPY.

The following table details the Group'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. A positive number below indicates an increase in profit and other equity associated with the New Taiwan dollar's strengthening 5% against a foreign currency. For a 5% weakening of the New Taiwan dollar against a foreign currency, there would be an equal and opposite impact on profit and other equity and the balances below would be negative.

USD Impact		**EUR Impact**		**JPY Impact**	
For the Year Ended December 31		**For the Year Ended December 31**		**For the Year Ended December 31**	
2018	**2017**	**2018**	**2017**	**2018**	**2017**

Profit (loss)	$ 18,851	$(63,627)	$ 8,212	$ 18,162	$ (294)	$ (454)

The Group's sensitivity to USD exchange rates decreased in the current period mainly because of the increase in assets recorded in USD. The Group's sensitivity to EUR exchange rates decreased in the current period mainly because of the decrease in assets recorded in EUR. The Group's sensitivity to JPY exchange rates decreased 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 Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows.

	December 31	
	2018	**2017**
Fair value interest rate risk		
Financial assets	$ 7,710,247	$ 5,577,016
Financial liabilities	(9,849,642)	(9,571,897)
Cash flow interest rate risk		
Financial assets	12,781,956	6,347,299
Financial liabilities	(16,909,886)	(8,336,096)

Sensitivity analysis

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

If interest rates had been 1% higher and all other variables were held constant, the Group's profit for 2018 and 2017 would decrease by $41,279 thousand and $19,888 thousand, respectively, mainly because of the Group's exposure to interest rates on its variable-rate demand deposits and bank borrowings.

The Group'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 Group is exposed to equity price risk on financial asset at FVTPL - non-current and 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.

If equity prices had been 5% lower, other comprehensive income for 2018 would decrease by $86,462 thousand as a result of the changes in the fair value of financial assets at FVTOCI.

If equity prices had been 5% lower, other comprehensive income for 2017 would decrease by $5,453 thousand, as a result of the changes in fair value of impaired AFS investments.

The Group's sensitivity to price increase in the current period mainly because of the increase in financial assets at FVTOCI.

2) Credit risk

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

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

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

To minimize credit risk, the Group's management has established 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 Group reviews the recoverable amount of each account receivable at the end of the reporting period to ensure that adequate allowances are set aside for irrecoverable amounts. Thus, the Group's management considers the Group'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 pertains to a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of the account receivables and, where appropriate, credit guarantee insurance is purchased.

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

The Group's concentration of credit risk was 20% and 23% in total accounts receivable as of December 31, 2018 and 2017, respectively, which was related to the Group's three largest customers.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash deemed adequate to finance the Group'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 Group relies on bank loans as a significant source of liquidity.

a)Liquidity and interest risk rate tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

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

December 31, 2018

	On Demand or Less than 1 Month	1 - 3 Months	3 Months to 1 Year	1+ Years
Non-derivative financial liabilities				
Non-interest bearing	$ 2,016,411	$ 1,002,906	$ 658,592	$ 79,314
Variable interest rate liabilities	209,152	1,654,468	7,705,594	8,188,452
Fixed interest rate liabilities	740,290	2,797,702	4,699,751	1,743,186
	$ 2,965,853	$ 5,455,076	$ 13,063,937	$ 10,010,952

December 31, 2017

	On Demand or Less than 1 Month	1 - 3 Months	3 Months to 1 Year	1+ Years
Non-derivative financial liabilities				
Non-interest bearing	$ 1,088,437	$ 627,719	$ 370,941	$ 948,493
Variable interest rate liabilities	120,819	1,143,142	5,403,922	2,294,207
Fixed interest rate liabilities	1,493,163	2,981,364	1,411,680	3,508,057
	$ 2,702,419	$ 4,752,225	$ 7,186,543	$ 6,750,757

As of December 31, 2018 and 2017, the Group believes there were no bank loans on which immediate repayment will be demanded.

The amounts included above for variable interest rate instruments for non-derivative 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 risk rate tables for derivative financial liabilities

The following tables show the Group'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.

December 31, 2018

	On Demand or Less than 1 Month	1 - 3 Months	3 Months to 1 Year	1+ Years
Net settled				
Short call options	$ -	$ -	$ -	$ 191,790

December 31, 2017

	On Demand or Less than 1 Month	1 - 3 Months	3 Months to 1 Year	1+ Years
Net settled				
Foreign exchange forward contracts	$ 162	$ 5,580	$ -	$ -
Short call options	-	-	-	94,014
	$ 162	$ 5,580	$ -	$ 94,014

42. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Corporation and its subsidiaries (the Corporation'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 Group and its related parties are disclosed below.

a. Names and relationships of related parties

Name of Related Party	Relationship with the Company
Delta Electronics Inc.	Investors with significant influence on certain group entities (Note 1)
Delta Electronics (Japan), Inc.	Other related parties (Note 2)
Delta Electronics (Americas) Ltd.	Other related parties (Note 2)
Delta Greentech Ltd.-Turkey	Other related parties (Note 2)
Delta Electronics (Switzerland) AG	Other related parties (Note 2)
Zhongda Electronic (Jiangsu) Co., Ltd.	Other related parties (Note 2)
Zhongda Electronic Parts And Components (Wujian) Co., Ltd.	Other related parties (Note 2)
Phanes FZ LLC	Other related parties (Note 3)
Phanes Holding	Other related parties (Note 3)
Oryx Solar System Solutions LLC	Other related parties (Note 3)
TTMC	Other related parties
SAS	Other related parties (Note 4)
Taiwan Speciality Chemicals Corporation	Other related parties (Note 4)
Solar PV	Other related parties
Shanghai Surui Leasing & Financing Limited	Other related parties (Note 5)
Clean Focus Management Acquisition LLC	Other related parties (Note 5)
Neo Cathay	Associates
Neo Cathay Electric Power Corp. (Neo Cathay Electric)	Associates (Note 6)
JSP	Associates
Si One	Associates (Note 6)
Da Li Energy	Associates (Note 6)
Yong Han	Associates (Note 7)
Yun Yeh	Associates (Note 7)
Shanghai Cenat New Energy Company Limited	Associates (Note 8)
CFY	Associates
Clean Focus Corporation (CFC)	Associates
CF Gainesville Owner One, LLC	Associates (Note 8)

Clean Focus Development LLC	Associates (Note 8)
CF SBC Owner One LLC	Associates (Note 8)
CF Vegas Holdings LLC	Associates (Note 8)

(Continued)

Name of Related Party	Relationship with the Company
Greenskies Renewable Energy LLC	Associates (Note 8)
CF Lessee LOB LLC	Associates (Note 8)
Verde Solar Inc.	Associates (Note 8)
V5 Technology	Associates (Note 9)
GES KYUSHU	Associates (Note 10)
Hashimoto	Associates (Note 10)
Gintung Energy	Associates (Note 11)
Sunshine PV	Associates (Note 11)
DevCo One	Joint venture
DevCo Two	Joint venture
JV2	Joint venture

(Concluded)

Note 1: On October 15, 2018, Delta Company originally held 6.64% of the equity of the Corporation. After the election of the directors of the Corporation on November 20, 2018, the directors representing Delta Company resigned from the board of directors of the Corporation and did not meet the definition of related parties. Therefore, only the outstanding amount as of December 31, 2018 and transactions from January 1, 2018 to November 20, 2018 were disclosed as related party transactions.

Note 2: After the election of the directors of the Corporation on November 20, 2018, directors representing Delta Company resigned from the board of directors of the Corporation. The subsidiaries of Delta Company, Delta Electronics (Americas) Ltd., Delta Electronics (Japan), Inc., Delta Electronics (Switzerland) AG, Delta Greentech Ltd.-Turkey, Zhongda Electronic (Jiangsu) Co., Ltd. and Zhongda Electronic Parts And Components (Wujian) Co., Ltd. did not meet the definition of related parties. Therefore, only the outstanding amount as of December 31, 2018 and transactions from January 1, 2018 to November 20, 2018 were disclosed as related party transactions.

Note 3: Other related parties were entities of the investor who have significant influence over the Group and entities whose parent issued puttable preference shares which were acquired by the Group on December 18, 2015.

Note 4: After the date of merger, October 1, 2018, the Corporation and the directors of the Corporation became the shareholders of SAS and TSCC and became their directors. SAS and TSCC meet the definition of other related parties. Therefore, the outstanding amounts and transactions after October 31, 2018 were disclosed as related party transactions.

Note 5: Same directors with CFGP, so that meet the definition of other related parties.

Note 6: The associates were Neo Cathay's subsidiaries.

Note 7: Yong Han and Yun Yeh had become subsidiaries of Neo Cathay since March 30, 2018 and were deemed associates; thus, the Group disclosed the trading transactions from March 30, 2018 and the balances as of March 30, 2018.

Note 8: The associates were CFY's subsidiaries.

Note 9: V5 Technology had become an associate of the Corporation since August 14, 2017 because the Corporation did not acquire any shares issued for cash of V5 Technology; thus, the Group disclosed the trading transactions only from August 14, 2017 and the balances as of December 31, 2018 and 2017.

Note 10: These associates became subsidiaries after GES acquired them in October 2017.

Note 11: The acquisition of subsidiaries is due to absorption merging the two corporations, Gintech Energy and Solartech Energy on October 1, 2018.

a. Revenue from the sale of goods

Related Party Category	For the Year Ended December 31 2018	For the Year Ended December 31 2017
Associates	$ 1,287,666	$ 712,893
Other related parties	50,677	54,081
Investors with significant influence	79	5
	$ 1,338,422	$ 766,979

Sales of goods between the Group and related parties were based on specifically negotiated terms.

b. Other income

Related Party Category	For the Year Ended December 31 2018	For the Year Ended December 31 2017
Associates	$ 14,591	$ 377
Related parties in substance	79	138
	$ 14,670	$ 515

c. Dividends

Related Party Category	For the Year Ended December 31 2018	For the Year Ended December 31 2017
Related parties in substance		
TTMC	$ 3,680	$ 4,415

d. Interest income

Related Party Category	For the Year Ended December 31 2018	For the Year Ended December 31 2017
Associates		
CFY	$ 13,969	$ 16,971

CF Lessee LOB LLC	-	30,772
Others	750	2,015
Joint ventures		
DevCo One	3,546	35,508
DevCo Two	3,546	35,508
Other related parities		
Phanes Holding	11,487	19,090
	$ 33,298	$ 139,864

The Group's income revenue was composed of interest income from financing provided to associates and puttable preference shares with other related parties.

e. Purchase of goods

Related Party Category	For the Year Ended December 31	
	2018	2017
Investors with significant influence	$ 5,406	$ 31,209
Other related parties	112	-
	$ 5,518	$ 31,209

Purchases of goods between the Group and related parties were based on specifically negotiated terms.

f. Other expenses

Related Party Category	For the Year Ended December 31	
	2018	2017
Associates	$ 61,206	$ 12
Other related parties	1,574	5,237
Investors with significant influence	652	15,736
	$ 63,432	$ 20,985

g. Accounts receivable

Related Party Category	December 31	
	2018	2017
Associates		
CFC	$ 367,956	$ 155,005
Verde Solar	85,042	-
Others	101,454	8,095
Other related parties	-	7,401
Investors with significant influence	-	5
Less: Allowance for impairment loss-Associate	(21,986)	-
	$ 532,466	$ 170,506

The outstanding trade receivables from related parties are unsecured. An impairment loss of $ 21,986 thousand and zero was recognized for trade receivables from related parties for the year ended December 31, 2018 and 2017.

h. Other receivables

	December 31

Related Party Category	**2018**	**2017**
Associates		
CF Leases LOB LLC	$ 493,797	$ 1,127,562
CFY	133,141	363,242
CFC	113,131	-
Others	16,691	183,422

(Continued)

Related Party Category	December 31 2018	2017
Other related parties		
Clean Focus Management Acquisition LLC	$ 188,319	$ -
Others	13,440	10,790
Joint venture		
DevCo One	128,426	132,116
Others	16,189	143,458
Less: Allowance for impairment loss-Associate	(8,400)	-
	$ 1,094,734	$ 1,960,590

(Concluded)

Other receivables were temporary project fee payments that the Group paid for its associates.

The outstanding receivables from related parties were unsecured. An impairment loss of $ 8,400 thousand and zero was recognized for other receivables from related parties for the years ended December 31, 2018 and 2017.

i. Contract assets

Related Party Category	December 31 2018	2017
Associates		
Si One	$ 45,789	$ -
Da Li Energy	24,261	-
	$ 70,050	$ -

For the year ended December 31, 2018, no impairment loss was recognized for contract assets from related parties.

j. Amounts due from customers for construction contracts

Related Party Category	December 31 2018	2017
Associates		
Si One	$ -	$ 31,799
Da Li Energy	-	19,432
	$ -	$ 51,231

k. Prepayments

Related Party Category	December 31 2018	2017

Other related parties		
SAS	$ 1,118,451	$ -

l. Other prepayments

Related Party Category	December 31 2018	December 31 2017
Associates		
Clean Focus Development LLC	$ -	$ 1,128

m. Accounts payable

Related Party Category	December 31 2018	December 31 2017
Investors with significant influence		
Delta Electronics Inc.	$ 373	$ 12,820
Other related parties	68	-
	$ 441	$ 12,820

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

n. Contract liabilities

Related Party Category	December 31 2018	December 31 2017
Associates		
Si One	$ 88,306	$ -
Others	14,681	-
Other related parties		
SAS	36,372	-
Others	11	-
	$ 139,370	$ -

o. Amounts due to customers for construction contracts

Related Party Category	December 31 2018	December 31 2017
Associates		
Si One	$ -	$ 51,581
Da Li Energy	-	11,419

$ -	$ 63,000

p. Receipts in advance

Related Party Category	December 31 2018	December 31 2017
Other related parties	$ -	$ 3,493

q. Payables to contractors and equipment suppliers

Related Party Category	December 31 2018	December 31 2017
Investors with significant influence	$ 12,936	$ 16,857
Other related parties	-	6,814
Associates	-	1,700
	$ 12,936	$ 25,371

r. Other accrued expenses

Related Party Category	December 31 2018	December 31 2017
Associates		
CFC	$ 174,754	$ 276,657
Others	69,525	35,970
Joint Ventures	118,195	165,732
Other related parties	12,273	3,087
Investors with significant influence	194	711
	$ 374,941	$ 482,157

Other accrued expenses were expenses and construction fees temporarily paid by related parties for the Group.

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

s. Acquisitions of property, plant and equipment

	Purchase Price For the Year Ended December 31 2018	Purchase Price For the Year Ended December 31 2017
Other related parties	$ 164,381	$ 171,202
Investors with significant influence	26,830	61,726
	$ 191,211	$ 232,928

t. Put of financial assets - debt investments with no active market

For the year ended December 31, 2017

Related Party Category	Shares	Underlying Assets	Proceeds	Gain (Loss) on Disposal
Other related parties				
Phanes Holding	$ 4,500	$ -	$ 146,453	$ -

u.Project Receipts

	For the Year EndedDecember 31	
	2018	2017
Associates	$ 132,752	$ 36,036
Other related parties	14,345	31,853
	$ 147,097	$ 67,889

The project receipts were the cost of power facility construction, the transaction between the Group and the related parties were based on specifically negotiated terms.

v.Disposal of subsidiaries

For details on disposal of subsidiaries of the Corporation, refer to Note 37.

w. Endorsements and guarantees

For details on loans to related parties and endorsements and guarantees, refer to Note 47.

x. Compensation of key management personnel

	For the Year Ended December 31	
	2018	2017
Short-term benefits	$ 121,461	$ 61,792
Share-based payments	1,203	3,228
Post-employment benefits	195	1,201
	$ 122,859	$ 66,221

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

43. PLEDGED OR MORTGAGED ASSETS

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

	December 31	
	2018	2017
Property, plant and equipment	$ 13,538,543	$ 6,369,227
Finance lease receivables (including current and non-current portions)	5,307,313	1,698,483
Restricted assets (classified as other current and non-current assets)	3,701,289	2,386,553
Financial assets at fair value through other comprehensive income	1,337,855	-
Refundable deposits	1,004,824	852,023
Investments accounted for using the equity method	608,316	-
Pledged time deposits (classified as other current and non-current assets)	595,018	209,277
Power facilities construction in process (classified as inventory)	99,575	83,456
Inventory	1,021	-
Non-current assets held for sales	-	143,090
	$ 26,193,754	$ 11,742,109

44. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

a. Significant commitments

1) Long-term purchase contracts:

a) The Group entered into long-term material supply agreements with multiple suppliers of raw material for silicon chip; the longest contract duration can be effective until December 31, 2022. The Group has to make advance payments as amounts of guarantee and such suppliers shall meet the supply of materials in accordance with contract terms. For the year ended December 31, 2018 and 2017, after the contract assessment, the Group had recognized impairment loss of $487,558 thousand and $575,580 thousand on prepayment and purchasing agreement, respectively due to continuously recording losses and facing deterioration in economic and financial conditions by certain suppliers. The Group recognized prepayments of USD57,944 thousand (approximately NT$1,813,309 thousand), EUR 8,636 thousand(approximately NT$397,190 thousand) shown in the consolidated balance sheet as of December 31, 2018. The Group recognized a reversal of the impairment loss of $78,924 thousand and purchasing agreement losses for $398,581 thousand for the year ended December 31, 2018.

2) Material sell-buy agreements:

As of December 31, 2018, the Group entered into irrevocable sell-buy agreements with several companies.

The information was as follows:

Company Name	Buyer	Duration	Note
Yong Liang	Taiwan Power Company	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
NCH Solar1	Good Energy Limited, UK	20 years	Sale of electricity to third parties without prior permission is disallowed
CEDAR FALLS	Cedar Falls Utilities	25 years	Sale of electricity to third parties without prior permission is disallowed
JRC	Dominican (Corporación Dominicana de Empresas Eléctricas Estatales) CDEEE	20 years	Sale of electricity to third parties without prior permission is disallowed
RER CT57	USA Town of East Haddam	25 years	Sale of electricity to third parties without prior permission is disallowed
GES ME	Dubai DP World FZE	20 years	Sale of electricity to third parties without prior permission is disallowed
Hashimoto	Kansai Electric Power Co., Inc.	20 years	Sale of electricity to third parties without prior permission is disallowed
Anderson N.	Indiana Municipal Power Agency	25 years	Sale of electricity to third parties without prior permission is disallowed
Anderson S.	Indiana Municipal Power Agency	25 years	Sale of electricity to third parties without prior permission is disallowed
Richmond	Indiana Municipal Power Agency	25 years	Sale of electricity to third parties without prior permission is disallowed
Rensselare	Indiana Municipal Power Agency	25 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 agreement specified that Yong Liang was obliged to assist in all paper work relevant to the alteration, which should be completed by September 30, 2016, and to submit guarantee deposits of $25,000 thousand to Chailease Finance. Chailease Finance will return the guarantee deposits after all the obligations has been fulfilled. As of December 31, 2018, preparation of related document is in progress.

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 Group needed to submit guarantee deposits of $5,615 thousand of the construction in progress as of December 31, 2018. The settlement agreement was reached between the parties; the security deposit is expected to be collected during 2018.

3) GES entered into construction contracts with several contractors with a total contact price of $2,906,734 thousand and unpaid amount was $1,416,991 thousand. GES ME entered into construction contracts with several contractors with a total contact price of USD21,176 thousand and unpaid amount was USD2,623 thousand.

   BPS, NSP System and GES ME have obtained orders for power facility construction and contracted the projects out to contractors. BPS entered into construction and material contracts with the contractors with a total contract price of $43,717 thousand and the unpaid amount was $15,738 thousand as of December 31, 2018. NSP System entered into construction contracts with the contractors with a total contract price of $1,102,150 thousand and the unpaid amount was $424,289 thousand as of December 31, 2018.

4) GES entered into equity purchase or assets purchase agreements with several companies with a total contract price of $257,175 thousand and the unpaid amount was $119,134 thousand as of December 31, 2018.

5) GES has entered into project agreements for specific solar electric power plants developments with related parties for 30,740 thousand with the amount of 9,222 thousand unpaid.

6) Unused letters of credit amounted to approximately US$3,649 thousand of December 31, 2018.

b.Contingencies

1) The controversy associated with payment for goods between the Group and company CD:

   The Group filed an appeal with Wujiang District 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. Wujiang District Intermediate People’s Court ruled in the Group’s favor on September 23, 2015, but company CD appealed to the court of second instance on October 8, 2015.

   During the appeal, the Group 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 an expected repayment of RMB48,230 thousand and CEEG (Nanjing) assumed joint liability.

   CD Group did not make payments according to the terms of the above payment schedule; hence, the Group has entrusted a law firm to apply for a compulsory enforcement of the award. The Group recognized all above mentioned account receivables as a loss. DelSolar Wu Jiang received a total of RMB20,537 thousand through cash appropriated by the enforcement of the court and cash payments received from CEEG (Shanghai) as of March 18, 2019. CEEG (Shanghai) has repaid a debt to DelSolar Wu Jian with solar cells assemblies for 3,148 thousand as of March 18, 2019; CEEG (Shanghai) will continuously to repay the outstanding amount on the basis of RMB300 thousand per month to DelSolar Wu Jiang.

   In addition, the controversy associated with payment for goods between the Group and CEEG’s (Shanghai): In August 2016, the Group has entrusted a law firm to go to arbitration for the overdue payment of CD Group’s CEEG (Shanghai) in the China International Economic and Trade Arbitration Commission (CIETAC). The Group requested payment of USD1,255 thousand. The Group prevailed in the proceeding on December 23, 2016, and CEEG (Shanghai) has to pay USD1,254 thousand in overdue payments and USD25 thousand in overdue penalties to the Group. The Group has applied to the court for a compulsory enforcement of the award.

2) In the controversy of whether to continuously perform the supply agreement, company K requested the help of Hsin-chu district court on January 13, 2016 to demand payment of $10,000 thousand in partial claims. The company K requested to increase the payment to $500,000 thousand in August 2016. NSP has filed a counterclaim against the company K to Hsin-chu district court on March 21, 2017 to reimburse prepayment and to demand payment of $20,000 thousand in partial claims.

   On October 13, 2017, the Hsin-chu district court ruled that the Corporation should pay company K $500,000 thousand and accrued interest payable at 5% per annum beginning from December 31, 2015. Simultaneously, Hsin-chu district court dismissed the Corporation’s request for return of advance payment against supplier K. In the first court session, the Corporation considered the result of verdict as having a lot of violations; thus, the Corporation has engaged an attorney to lodge an appeal to safeguard the legitimate rights of the Corporation. Based on conservatism concept, the Corporation accrued a potential loss and necessary adjustment will be made depending on the ruling.

3) In March 2015, the Corporation 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. the Corporation believed that there were unsolved issues on the long-term materials supply agreement which will need further clarification from both parties. Therefore, the Corporation engaged an attorney to assist on the process.

   AH, the raw material supplier, requested that the Corporation pay the remaining unpaid amount of EUR36,089 thousand for the incomplete work under the outstanding WAFER procurement contract from 2009 to 2012, which was signed between the supplier and the Corporation before the acquisition of DelSolar. AH also requested that the Corporation pay additional interest and other expenses for delaying the performance obligation. AH, the supplier, recorded the above issue and communicated it with the arbitration tribunal. Furthermore, during the period from 2013 to 2015 (after the acquisition of DelSolar), the remaining unpaid amount of EUR68,372 thousand should be paid by the Corporation with additional interest and other expenses to AH, the supplier, under the WAFER procurement contract. However, the material supplier has not yet presented any probable or reliably measurable obligations to the Corporation. the Corporation received the result of arbitration in November 2017, the tribunal ruled that the Corporation should comply with the conditions of the purchase agreement. However, in consideration of the transaction price of wafer each year, significant reduction of the agreed price is necessary. The tribunal adjudicated that EUR28,160 thousand should be paid by the Corporation with additional interest to AH and AH should grant 22,908 thousand pieces of wafers to the Corporation. Having made a preliminary assessment, the Corporation evaluated the impact of the arbitration was immaterial. On May 31, 2013, the acquisition date of DelSolar, the Corporation has provided reserves USD15,454 and accrued a probable losses and interest expense with the result of the arbitration. In order to meet the result settled by the arbitration, the Corporation and AH make the payments and delivery of silicon wafers in accordance with the agreement. The Corporation has paid the principal of EUR27,500 thousand and interest payable of EUR1,175 thousand to the supplier AH in 2018. There will not be any other rights and obligations of delivering silicon wafers on both parties. As of December 13, 2018, the Corporation has recognized additional losses on purchasing contracts for 398,581 thousand and made a reversal of compensation for interests for 239,274 thousand.

4) Company CE has requested an arbitration on 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 the issuance of an order for attachment and an order for transfer of the Corporation’s debentures of payments of goods. the Corporation’s made a statement that the Corporation continuously disagreed with the demand of company CE since February 2016; therefore, company CE advocated that the Corporation should pay a total of $60,480 thousand and an accrued interest payable at 5% per annum. In August 2017, the Hsin-chu district court ruled that the Corporation should pay CE company $60,480 thousand and accrued interest payable 5% per annum. As company CE has applied for the implementation of debt restructuring in mainland China

with its third party vendor company G, and the Corporation instructed legal counsels to subsequently answer the charges. NSP considered the result of the verdict as having a lot of violation, and has engaged an attorney to lodge an appeal. The case is currently before the Taiwan High Court. The Corporation has accrued a probable losses and will adjust any amount base on the result of such verdict, if necessary.

5) The dispute over the buy-sell agreement between DelSolar Wu Jiang and company JE, was admitted to the Shanghai Jiading People's Court on July 25, 2016, and the first, the second and the third court sessions were heard on September 7, 2016, November 25, 2016 and March 4, 2017, respectively. The total amount involved was RMB5,947 thousand, which was composed of a return of advance payments of RMB5,406 thousand, a penalty of RMB500 thousand, and interest losses of RMB41 thousand accrued as of the court filing date. Regarding to the circumstances of the case, DelSoar Wu Jiang has changed the litigation strategy and decided to withdraw the lawsuit on July 6, 2017. On July 10, 2017, DelSoar Wu Jiang has again appealed to the court requiring JE to pay back the prepayments of RMB4,071 thousand, with monetary losses in terms of interest payments incurred from June 23, 2016 to the day on which the appeal was made; the interest was based on the bank interest rate of the comparable period. Waiting for the court decision after two trials on December 5, 2017 and March 14, 2018.

6) JRC, a subsidiary of GES is required to compensate the company, Corporation 40, USD900 thousand due to a consultancy agreement's lawsuit; the judgement was passed in the Dominican General Court. GES has accrued a probable losses based on accounting conservatism. The litigation case is under appeal with no latest progress.

7) The dispute over the buy-sell agreement between DelSolar Wu Jiang and company CZ, has been filed a petition to Wu Jiang People's Court by DelSolar Wu Jiang for an order of claiming company CZ's payment of RMB7,798 thousand, a penalty of RMB693 thousand as of February 3, 2017, the penalty from February 4, 2017 to the date of settlement, and the case acceptance fee and has reconciled on June 15, 2017. CZ company was requested for a payment of RMB7,798 thousand by installment payment, a penalty of RMB872 thousand (as of May 8, 2017) and the case acceptance fee RMB44 thousand. CZ company did not make payments according to the terms of the payment schedule; hence, DelSolar Wu Jiang has entrusted a law firm to apply for a compulsory enforcement of the award. CZ company paid the amount of RMB8,487 thousand and will continue to apply to the court for RMB227 thousand, penalty and litigation expense as of December 12, 2018. A company real estate and two vehicles have been seized by the court and the proceeds are requested to settle all outstanding balances owed to DelSolar Wu Jiang by auction in court.

8) The Corporation entered into a gas distribution agreement with EQ company on May 1, 2011. The agreement stated that EQ company would provide nitrogen, pure oxygen and other gases to GEC factories located at the Hsin-chu Industrial Science Park in Zhu-nan, Miaoli. After the business combination between the Corporation and GEC, the Corporation undertook all the rights, obligations and liabilities of the above mentioned agreement. The Corporation terminated the contract earlier in accordance with the section 7.5 of the agreement due to the factories in Zhu-nan was closed permanently on October 31, 2016. Under the section 7.5 of the agreement about the calculation and amount of early termination, EQ company continuously requested an unreasonable price and thus, no consensus has been reached between the two delegations through ongoing negotiation. EQ company has filed an application for arbitration to request a payment of NTD 60,900 thousand with an annual interest of 5%. The Corporation has instructed counsel to respond the unreasonable request.

9) Company CE requested an arbitration on 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 the ROC courts. With respect to the enforcement of such arbitral awards, company CE requested the issuance of an order to obtain the right of withholding payments of goods from Gintech; the company Gintech stated that there was no existing creditor's right as the company received the order to withhold. As a result, CE has filed an application for arbitration to

ensure the existing creditor's right of NTD 5,000 thousand on March 14, 2016. Additionally, CE has filed another application to expand the request to further ensure the existing creditor's right of NTD 10,000 thousand. CE company has instructed counsel to respond the request from Gintech.

45. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

On January 26, 2019, the Group signed a contract with CVI Clean Capital Solar 3 LLC to sell 100% of two subsidiaries, ET ENERGY and TIPPING POINT, and the contract price was US$24,246 thousand.

46. SIGNIFICANT DENOMINATED IN FOREIGN CURRENCIES ASSETS AND LIABILITIES

The Group entities' significant financial assets and liabilities denominated in foreign currencies are aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

	December 31			
	2018		2017	
	Foreign Currencies (In Thousands)	Exchange Rate (Note 1)	Foreign Currencies (In Thousands)	Exchange Rate (Note 1)
Financial assets				
Monetary assets				
USD	$ 224,768	30.7400	$ 212,131	29.8480
USD (Note 2)	260	6.8677	928	6.5527
USD (Note 3)	25,523	32.2222	-	-
EUR	14,999	35.2200	18,675	35.4860
JPY	23,475	0.2781	45	0.2634
RMB	50,346	4.4760	30	4.5551
GBP	2,058	38.9500	13,818	40.0205
DOP	386	0.6116	1,579	0.6179
Non-monetary assets				
USD	1,144	30.7400	1,094	29.8480
USD	805	28.9978	62	29.8900
EUR	600	32.2300	600	37.6500
MYR	52,054	7.1190	-	-
Financial liabilities				
Monetary liabilities				
USD	229,154	30.7400	254,156	29.8480
USD (Note 2)	-	-	8	6.5527
USD (Note 3)	9,132	32.2222	-	-
USD (Note 4)	-	-	1,529	64.3137
EUR	10,097	35.2200	8,229	35.4860
EUR (Note 2)	210	7.8686	210	7.7904
EUR (Note 3)	29	36.9182	-	-
JPY	44,610	0.2781	34,500	0.2634

GBP	38	38.9500	21	40.0205
RMB	536	4.4760	6,749	4.5551
DOP	1,576	0.6116	1,132	0.6179
NTD (Note 3)	146	1.0482	-	-

Note 1: Exchange rates between foreign currencies and the New Taiwan dollar, except where specified.

Note 2: Exchange rates between foreign currencies and RMB.

Note 3: Exchange rates between foreign currencies and THB.

Note 4: Exchange rates between foreign currencies and INR.

For the year ended December 31, 2018 and 2017, realized and unrealized foreign exchange (losses) gains were $(61,243) thousand and $73,979 thousand, respectively. It is impractical to disclose net foreign exchange (losses) gains by each significant foreign currency due to the variety of the foreign currency transactions of the group entities.

47. SEPARATELY DISCLOSED ITEMS

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

a. Financings provided to others: Table 1 (attached)

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

c. Marketable securities held (not including investments in 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: Table 4 (attached)

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 (attached)

g. Total purchases from or sales to related parties of at least $100 million or 20% of the paid-in capital: Table 5 (attached)

h. Receivables from related parties amounting to at least $100 million or 20% of the paid-in capital: Table 6 (attached)

i. Trading in derivative instruments: None (attached)

j. Related information of investees over which the Corporation exercises significant influence: Table 7 (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 8 (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: Table 9 (attached)

l. Intercompany relationships and significant intercompany transactions: Table 10 (attached)

48. SEGMENT INFORMATION

Financial information reported to the Group's chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on sales from each type of products. The measurement basis of the reportable segments are the same as the Group's consolidated financial statements. The Group's main reportable segments are solar cells, modules and power facilities.

a. Segment revenue and operating results

	Segment Revenue			
	For the Year Ended December 31			
	2018		2017	
	From External Customers	Inter-segment Sales	From External Customers	Inter-segment Sales
Modules	$ 7,190,802	$ 328,292	$ 5,006,856	$ 810,768
Solar cells	3,315,166	67,031	3,863,086	85,169
Power facilities	2,079,185	10,806	1,096,800	2,862
Others	398,767	93,258	281,145	87,603
Total for continuing	$12,983,920	$ 499,387	$10,247,887	$ 986,402

operations

	Segment Profit or Loss For the Year Ended December 31	
	2018	**2017**
Solar cells	$(1,279,860)	$(1,376,193)
Modules	(55,837)	(1,036,959)
Power facilities	614,362	414,122
Others	(101,887)	3,702
Gross loss of reportable segments	(823,222)	(1,995,328)
Unrealized intercompany (loss) profit	92,971	11,933
	(730,251)	(1,983,395)
Unallocated amount		
Operating expenses	(1,718,847)	(1,751,181)
Other income and expenses	(260,027)	(158,372)
Non-operating income and expenses	2,268,822	(237,778)
Net loss profit before income tax	$ (440,303)	$(4,130,726)

Segment profit or loss represents profit or loss created by each segment without the allocation of operating expenses and non-operating income expenses. This is the measure reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

b. Segment assets

The Group does not provide information on assets regularly to the Group's chief operating decision maker; thus, the measure of assets is zero.

c. Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services.

	For the Year Ended December 31	
	2018	2017
Modules	$ 7,190,802	$ 5,006,856
Solar cells	3,249,827	3,737,631
Power facilities	712,943	15,205
Others	1,830,348	1,488,195
	$ 12,983,920	$ 10,247,887

d. Geographical information

The Group's revenue from continuing operations from external customers by location of customers' countries and information about its non-current assets by location of assets are detailed below.

	Revenue from External Customers For the Year Ended December 31		Non-current Assets December 31	
	2018	2017	2018	2017
Taiwan	$ 6,739,846	$ 3,339,331	$ 15,519,313	$ 6,672,089
Germany	1,991,574	2,260,769	-	-
USA	1,027,606	1,024,351	531,378	1,572,469
China	653,442	1,211,172	487,322	714,827
Mexico	24,346	12,033	1,050,214	717,760
United Arab Emirates	2,815	1,382	1,563,839	620,470
Others	2,544,291	2,398,849	904,464	865,284
	$ 12,983,920	$ 10,247,887	$ 20,056,530	$ 11,162,899

Non-current assets exclude investments accounted for using the equity method, prepaid investments in shares, financial instruments, deferred tax assets, goodwill, brands and other assets.

e. Information about major customers

Single customers who contributed 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31			
	2018		2017	
	Amount	%	Amount	%
Custom DP	$ 1,795,032	14	NA (Note)	NA (Note)
Custom CO	1,386,659	11	$ 1,358,778	13

Note: Revenue less than 10% of the Group's revenue.

TABLE 1

UNITED RENEWABLE ENERGY CO., AND SUBSIDIARIES
(FORMERLY NEO SOLAR POWER CORP.)

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
0	The Corporation	GES UK	Other receivables from related party	YES	$ 1,109,500	$ -	$ -	2.80%	2	$ -	Operating capital	$ -	—	$ -	$ 2,490,701 (Note 2, 3, 4 and 5)	$ 4,981,402	Note 2
		CFY	Other receivables from related party	YES	915,090	106,929	106,929	5.00%	2	-	Operating capital	-	—	-	2,490,701 (Note 2, 3, 4 and 5)	4,981,402	Note 2
		Apex	Other receivables from related party	YES	550,000	300,000	24,000	3.00%	2	-	Operating capital	-	—	-	2,490,701 (Note 2, 3, 4 and 5)	4,981,402	Note 2
		Zhongyang	Other receivables from related party	YES	500,000	200,000	-	3.00%	2	-	Operating capital	-	—	-	2,490,701 (Note 2, 3, 4 and 5)	4,981,402	Note 2
		Sunshine PV	Other receivables from related party	YES	200,000	200,000	200,000	1.608%	2	-	Operating capital	200,000	—	-	2,490,701 (Note 2, 3, 4 and 5)	4,981,402	Note 2
		Huiyang	Other receivables from related party	YES	150,000	130,000	-	3.00%	2	-	Operating capital	-	—	-	2,490,701 (Note 2, 3, 4 and 5)	4,981,402	Note 2
		Fukushima Plant 1	Other receivables from related party	Note 7	18,991	-	-	-	2	-	Operating capital	-	—	-	2,490,701 (Note 2, 3, 4 and 5)	4,981,402	Note 2
1	GES	Ever Lite	Other receivables from related party	YES	20,000	-	-	2.20%	2	-	Operating capital	-	—	-	156,429 (Note 2, 3, 4 and 5)	625,716	Note 2
		GES USA	Other receivables from related party	YES	93,000	-	-	2.20%	2	-	Operating capital	-	—	-	156,429 (Note 2, 3, 4 and 5)	625,716	Note 2
2	GES UK	GES JAPAN	Other receivables from related party	YES	214,900	-	-	2.20%~2.90%	2	-	Operating capital	-	—	-	2,686,472 (Note 2, 3, 4 and 5)	2,686,472	Note 2
		GES KYUSHU	Other receivables from related party	YES	92,010	-	-	2.20%~2.90%	2	-	Operating capital	-	—	-	2,686,472 (Note 2, 3, 4 and 5)	2,686,472	Note 2
		GES USA	Other receivables from related party	YES	381,250	381,250	381,250	2.20%~2.90%	2	-	Operating capital	-	—	-	2,686,472 (Note 2, 3, 4 and 5)	2,686,472	Note 2
3	GES JAPAN	GES UK	Other receivables from related party	YES	121,500	121,500	121,500	2.90%	2	-	Operating capital	-	—	-	733,633 (Note 2, 3, 4 and 5)	733,633	Note 2
		GES	Other receivables from related party	YES	54,000	54,000	54,000	2.90%	2	-	Operating capital	-	—	-	73,363 (Note 2, 3, 4 and 5)	293,453	Note 2
4	DelSolar Wu Jiang	NSP Nanchang	Other receivables from related party	YES	324,527	313,320	313,320	2.73%	2	-	Operating capital	-	—	-	1,141,561 (Note 2, 3, 4 and 5)	1,141,561	Note 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 GES, GES UK, GES JAPAN and DelSolar Wu Jiang 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 the financing company and counterparty within one year and should not exceed the highest amount of purchases or sales.

Note 4: The Corporation's total amount of financing for short-term financing should not exceed 20% of its net asset value and the financing for a counterparty should not exceed 10% of its net asset value.

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

Note 6: Overseas subsidiaries wholly-owned directly or indirectly by the Corporation and GES 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 its net asset value.

Note 7: Solartech Energy has disposed of the shares of Fukushima Plant 1 in January 2018 and it became a non-related party on the reporting date.

TABLE 2

UNITED RENEWABLE ENERGY CO., AND SUBSIDIARIES (FORMERLY NEO SOLAR POWER CORP.)

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	The Corporation	GES	Subsidiary	$ 4,981,402	$ 1,653,000	$ 1,653,000	$ 1,092,961	-	6.64	$ 12,453,506	YES	–	–
		Zhongyang	Subsidiary	4,981,402	1,380,000	770,000	752,294	-	3.09	12,453,506	YES	–	–
		ECOVE solar energy corporation	Note 4	4,981,402	719,110	-	-	-	-	12,453,506	YES	–	–
		Gintech (Thailand)	Subsidiary	4,981,402	623,825	623,825	397,103	-	2.50	12,453,506	YES	–	–
		NSP System	Subsidiary	4,981,402	500,000	500,000	163,200	-	2.01	12,453,506	YES	–	–
		NSP UK	Subsidiary	4,981,402	367,956	-	-	-	-	12,453,506	YES	–	–
		NSP Indygen	Subsidiary	4,981,402	364,500	364,500	364,500	-	1.46	12,453,506	YES	–	–
		GES UK	Subsidiary	4,981,402	310,000	305,510	305,510	-	1.23	12,453,506	YES	–	–
		CFR	Subsidiary	4,981,402	310,000	305,510	305,510	-	1.23	12,453,506	YES	–	–
		Apex	Subsidiary	4,981,402	263,000	263,000	261,000	-	1.06	12,453,506	YES	–	–
		Solar Japan	Subsidiary	4,981,402	146,489	-	-	-	-	12,453,506	YES	–	–
		Fukushima Plant 1	Note 5	4,981,402	145,417	-	-	-	-	12,453,506	YES	–	–
1	GES	Yong Han (Note 6)	Associate	1,564,289	1,000,000	-	-	-	-	3,128,578	YES	–	–
		GES UK	Subsidiary	1,564,289	743,900	619,900	481,765	-	39.63	3,128,578	YES	–	–
		Yong Liang	Subsidiary	1,564,289	487,250	417,250	233,645	-	26.67	3,128,578	YES	–	–
		GES USA	Subsidiary	1,564,289	296,567	117,367	117,367	-	7.50	3,128,578	YES	–	–
		GES	Subsidiary	1,564,289	51,120	51,120	50,000	-	3.27	3,128,578	YES	–	–
		Yun Yeh (Note 6)	Associate	1,564,289	15,594	-	-	-	-	3,128,578	YES	–	–
2	GES USA	MEGATHIRTEEN	Subsidiary	1,084,401	636,000	255,000	255,000	-	23.52	2,168,802	YES	–	–
		TEV solar	Subsidiary	1,084,401	606,050	311,550	310,000	-	28.73	2,168,802	YES	–	–
		MUNISOL	Subsidiary	1,084,401	134,532	134,532	134,532	-	12.41	2,168,802	YES	–	–
3	NSP UK	Meadowley (Note 7)	Subsidiary	143,188	87,438	-	-	-	-	715,940	YES	–	–
		NSP Indygen	Subsidiary	143,188	87,438	-	-	-	-	715,940	YES	–	–
		POTTERS BAR (Note 7)	Subsidiary	143,188	87,438	-	-	-	-	715,940	YES	–	–
		CLAY CROSS (Note 7)	Subsidiary	143,188	87,358	-	-	-	-	715,940	YES	–	–
		Bryncrynau (Note 7)	Subsidiary	143,188	82,311	-	-	-	-	715,940	YES	–	–
		BELPER (Note 7)	Subsidiary	143,188	82,311	-	-	-	-	715,940	YES	–	–

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

Note 2: Based on the "Rules of Guarantees by GES and GES USA," the ceiling for the total guaranteed amount was 200% of GES's and GES USA's net asset value, and the limit of the 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 purchases from or sales to GES and GES USA within the most recent year. GES's and GES USA's net asset value is based on its latest financial statements.

Note 3: Based on the "Rules of Guarantees by NSP UK," the ceiling for the total guaranteed amount was 500% of NSP UK's net asset value, and the limit of the guaranteed amount for a single party was 100% of NSP UK's net asset value. But for business purposes, the limit on the guaranteed amount was the total of the purchases from or sales to NSP UK within the most recent year. NSP UK's net asset value is based on its latest financial statements.

Note 4: Gintech Energy has disposed of the share of ECOVE solar energy corporation September, 2018, so it is non related party on the reporting date.

Note 5: Solartech Energy has disposed of the shares of Fukushima Plant 1 in January 2018 and it became a non-related party on the reporting date.

Note 6: Originally a subsidiary of GES, it was sold to Neo Cathay on March, 2018 and became a related party.

Note 7: Originally a subsidiary of NSP Indygen, it has disposed on December, 2018 and became a related party.

Note 8: In accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" Article 4.1.1. (3), although, the guaranteed party is GES itself, GES issued a separate promissory note to a non-financial enterprise to meet the financing needs, which is still in accordance with the term "endorsements/guarantees" under Article 4 of the regulations.

UNITED RENEWABLE ENERGY CO., AND SUBSIDIARIES
(FORMERLY NEO SOLAR POWER CORP.)

MARKETABLE SECURITIES HELD
DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2018				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Corporation	Shares							
	CTCI	Investee	Financial assets at fair value through other comprehensive income- current	3,003	$ 133,333	0.39	$ 133,333	—
	SAS.	Investee	Financial assets at fair value through other comprehensive income- non-current	21,860	1,337,855	3.73	1,337,855	Note 1
	TTMC	Investee	Financial assets at fair value through other comprehensive income- non-current	4,000	66,240	5.44	66,240	Notes 2 and 3
	EXOJET	Investee	Financial assets at fair value through other comprehensive income- non-current	5,885	45,962	12.06	45,962	—
	TSCC	Investee	Financial assets at fair value through other comprehensive income- non-current	1,691	18,601	0.85	18,601	—
	NTNU	Investee	Financial assets at fair value through other comprehensive income- non-current	200	2,000	2.60	2,000	—
	ASIA GLOBAL VENTURE CAPITAL II CO., LTD.	Investee	Financial assets at fair value through other comprehensive income- non-current	1,000	22,137	10.00	22,137	—
	SUN APPENNINO CORPORATION	Investee	Financial assets at fair value through other comprehensive income- non-current	-	19,338	26.09	19,338	—
	FICUS CAPITAL CORPORATION	Investee	Financial assets at fair value through other comprehensive income- non-current	-	-	28.07	-	—
GES	Shares							
	Puttable preference shares－Phanes Holding	Other related party	Financial assets at amortized cost- non-current	24	153,700	100.00	153,700	—
Prime Energy	Shares							
	TTMC	Investee	Financial assets at fair value through other comprehensive income- non-current	359	6,372	0.49	6,372	—
New Ray Invetment	Shares							
	TTMC	Investee	Financial assets at fair value through other comprehensive income- non-current	3,000	49,680	4.08	49,680	Notes 2 and 3
Apex	Shares							
	TOP GREEN ENERGY TECHNOLOGIES INC.	Investee	Financial assets at fair value through other comprehensive income- non-current	8,889	27,098	7.11	27,098	-
GES USA	Shares							
	TG ENERGY SOLUTIONS LLC	Investee	Financial assets at fair value through other comprehensive income- non-current	-	615	10.00	615	—

Note 1: The asset has been pledged as collaterals for long-term bank loans and financing facilities. For the details refer to Note 43.

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

Note 3: TTMC's shares held by the Corporation and New Ray Investment through private equity placement were restricted under Article 43-8 of the Securities and Exchange Act.

Note 4: The above marketable securities had not been pledged or mortgaged as of December 31, 2018.

TABLE 4

UNITED RENEWABLE ENERGY CO., AND SUBSIDIARIES
(FORMERLY NEO SOLAR POWER CORP.)

MARKETABLE SECURITIES ACQUIRED AND DISPOSED AT COSTS OR PRICES OF AT LEAST $300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares	Amount	Shares	Shares	Shares	Shares	Carrying Amount	Gain (Loss) on Disposal	Shares	Amount
	Shares													
GES USA	MEGASIXTEEN	Investment accounted for using the equity method	-	Subsidiary	-	$ -	11,981	$ 351,772	-	$ -	$ -	$ -	11,981	$ 349,397
MEGASIXTEEN	GES AC	Investment accounted for using the equity method	-	Subsidiary	-	175,722	-	559,484	-	-	-	-	-	766,692
GES UK	GES USA	Investment accounted for using the equity method	-	Subsidiary	28,680	781,062	11,000	331,976	-	-	-	-	39,680	1,054,070
TEV Solar	AC GES SOLAR	Investment accounted for using the equity method	-	Subsidiary	-	-	19,675	593,754	-	-	-	-	19,675	604,816
AC GES Solar	Richmond	Investment accounted for using the equity method	-	Subsidiary	-	-	19,259	581,226	-	-	-	-	19,259	592,592

Note 1: Included subsidiaries' issued common shares for cash, the investments in subsidiaries in this period, shares of the gain and loss of associates and joint ventures and exchange differences in translating foreign operations.

Note 2: The transactions were eliminated in the consolidated report.

UNITED RENEWABLE ENERGY CO., AND SUBSIDIARIES
(FORMERLY NEO SOLAR POWER CORP.)

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Corporation	GES	Subsidiary	Sale	$ 130,258	1.26	60 days from the invoice date	$ -	-	$ -	-	Note 1
	NSP System	Subsidiary	Sale	127,546	1.24	60 days from the invoice date	-	-	95,436	3.21	Note 1
	CFC	Associate	Sale	233,984	2.27	60 days from the invoice date	-	-	118,079	4.09	Note 1
	JSP	Associate	Sale	198,580	1.93	60 days from the invoice date	-	-	31,643	1.10	Note 1
NSP System	Si One	Associate	Sale	227,025	67.74	120 days from the invoice date	-	-	-	-	Note 1
	Da li Energy	Associate	Sale	105,283	31.41	120 days from the invoice date	-	-	-	-	Note 1
CFR	CFC	Associate	Sale	228,784	98.81	90 days from the invoice date	-	-	177,193	100.00	Note 1
	Greenskies Renewable Energy LLC	Associate	Purchase	132,752	31.94	90 days from the invoice date	-	-	-	-	Note 2
GES	Yong Liang	Subsidiary	Sale	106,403	44.41	Open account 180 days	-	-	-	-	Note 1
	Yong Han	Associate	Sale	106,323	44.38	Open account 180 days	-	-	-	-	Note 1

Note 1: The amounts were based on total notes or accounts receivable (payable) or total purchase (sale) amounts of the buyer (seller).

Note 2: The amounts were based on total sale amounts of the seller or total amount due from customers for construction contracts.

TABLE 6

UNITED RENEWABLE ENERGY CO., AND SUBSIDIARIES
(FORMERLY NEO SOLAR POWER CORP.)

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Corporation	DelSolar US	Subsidiary	$ 993,716	-	$ -	Receivable according to the financial situation	$ -	$ -
	NSP NEVADA	Subsidiary	578,952	-	34,365	Receivable according to the financial situation	-	-
	GES ME	Subsidiary	571,235	-	-	Receivable according to the financial situation	-	-
	GES	Subsidiary	465,402	0.30	401,316	Receivable according to the financial situation	200	-
	Gintech (Thailand)	Subsidiary	264,429	-	163,387	Receivable according to the financial situation	302,974	-
	Sunshine PV	Associate	430,503	-	-	Receivable according to the financial situation	-	430,503
	CFY	Associate	133,141	-	114,412	Receivable according to the financial situation	-	-
	CFC	Associate	118,079	2.20	118,079	Receivable according to the financial situation	-	21,980
DelSolar WuJiang	NSP Nanchang	Subsidiary	382,686	-	62,338	Receivable according to the financial situation	-	-
NSP UK	NSP Indygen	Subsidiary	187,667	-	-	Receivable according to the financial situation	-	-
DelSolar US	CFR	Subsidiary	943,364	-	-	Receivable according to the financial situation	-	-
NSP NEVADA	GES USA	Subsidiary	249,840	-	-	Receivable according to the financial situation	-	-
CFR	CF Lessee LOB LLC	Associate	493,797	-	-	Receivable according to the financial situation	-	-
	CFC	Associate	290,324	-	-	Receivable according to the financial situation	-	-
	Clean Focus Management Acquisition LLC	Other related party	188,319	-	-	Receivable according to the financial situation	-	-
	DevCo One	Associate	123,919	-	-	Receivable according to the financial situation	-	-
USD1	CFR	Subsidiary	245,139	-	-	Receivable according to the financial situation	-	-
GES	GES USA	Grandson company	147,750	-	147,750	Receivable according to the financial situation	-	-
	Yong Yao	Subsidiary	255,828	-	66,732	Receivable according to the financial situation	-	-
GES JAPAN	GES	Parent company	226,159	-	170,489	Receivable according to the financial situation	-	-
	Hashimoto	Subsidiary	209,810	-	209,070	Receivable according to the financial situation	-	-
	GES UK	Parent company	125,619	-	-	Receivable according to the financial situation	-	-
GES USA	MUNISOL	Grandson company	773,580	-	647,330	Receivable according to the financial situation	-	-
GES UK	JRC	Grandson company	445,217	-	445,217	Receivable according to the financial situation	-	-
	GES USA	Subsidiary	398,276	-	387,655	Receivable according to the financial situation	-	-
TEV II	TEV Solar	Subsidiary	609,000	-	-	Receivable according to the financial situation	-	-

UNITED RENEWABLE ENERGY CO., AND SUBSIDIARIES
(FORMERLY NEO SOLAR POWER CORP.)

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2018			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2018	December 31, 2017	Shares (Thousands)	% of Ownership	Carrying Value			
The Corporation	UES	Independent State of Somoa	Investment company	$ 1,910,636	$ Note 11	61,930	100	$ 1,863,226	$ (89,195)	$ (89,195)	-
	DelSolar Cayman	Cayman Islands	Investment company	4,597,639	4,582,166	145,126	100	1,775,871	(356,660)	(356,249)	-
	GES	Hsin-chu, Taiwan	Electronic component manufacturing and selling	3,070,777	3,070,777	191,200	100	1,533,985	(369,132)	(368,747)	-
	NSP BVI	British Virgin Islands	Investment company	1,426,179	1,426,179	45,001	100	1,407,681	53,546	53,546	-
	GES ME	Dubai	Solar related business	418,805	418,805	4	100	368,249	3,379	3,379	-
	Apex	Hsin-chu, Taiwan	Solar related business	145,994	Note 11	48,500	100	157,341	7,756	7,756	-
	NSP System	Tainan, Taiwan	Solar related business	144,200	144,200	14,420	100	145,785	18,796	31,151	-
	NSP UK	London, UK	Investment company	138,967	138,967	3,580	100	143,188	26,242	26,242	-
	Prime Energy	Tainan, Taiwan	Electronic component manufacturing and selling	90,000	90,000	9,000	100	80,222	(151)	(151)	-
	New Ray Investment	Tainan, Taiwan	Investment company	115,000	115,000	11,500	100	64,262	1,314	1,314	-
	Solartech Japan	Japan	Solar related business	36,205	Note 11	2	100	34,333	(2,693)	(2,693)	-
	Zhongyang	Hsin-chu, Taiwan	Solar related business	24,121	Note 11	3,500	100	31,439	7,318	7,318	-
	Huiyang	Hsin-chu, Taiwan	Solar related business	30,427	Note 11	3,100	100	30,295	(132)	(132)	-
	DelSolar Singapore	Singapore	Investment company	29,743	29,743	1,250	100	18,692	47,981	3,917	-
	BPS	Tainan, Taiwan	Solar related business	6,000	6,000	600	60	14,880	8,135	5,285	-
	SMC	Hsin-chu, Taiwan	Solar related business	9,720	Note 11	1,000	100	9,658	(62)	(62)	-
	True Honour Limited	Independent State of Somoa	Investment company	-	Note 11	-	-	-	47	47	Note 12
	Utech	Miaoli, Taiwan	Electronic component manufacturing	57,169	Note 11	63,675	98.30	(134,504)	(186,513)	(172,974)	-
	Neo Cathay	Tainan, Taiwan	Investment company	600,000	600,000	60,000	40	616,896	44,306	17,723	-
	TSST	Malaysia	Solar related business	417,692	Note 11	97,701	42.12	254,093	(42,363)	(126,958)	Note 1
	V5 Technology	Hsin-chu, Taiwan	Electronic component manufacturing and selling	114,084	114,084	7,790	41.43	69,860	(2,714)	(2,542)	-
	Gintung	Taoyuan, Taiwan	Electronic component manufacturing	34,341	Note 11	13,460	36.38	44,424	(27,717)	10,083	-
	JSP	Taipei,Taiwan	Solar related business	10,500	10,500	1,050	35	7,533	(5,095)	(1,783)	-
	Sunshine PV	Hsin-chu, Taiwan	Solar related business	-	Note 11	13,281	19.47	-	(20,676)	-	Note 13
	Solar PV	Cayman Islands	Investment company	-	Note 11	30,500	19.92	-	(1,812)	-	Note 13
UES	RES	Independent State of Somoa	Investment company	1,971,918	Note 11	61,930	100	1,827,182	(182,818)	(182,818)	-
RES	Gintech (Thailand)	Thailand	Solar related business	1,964,202	Note 11	29,466	100	1,819,648	(183,242)	(183,242)	-
GES	Yong Liang	Hsin-chu, Taiwan	Solar related business	249,000	219,000	24,900	100	249,030	1,382	1,382	-
	Yong Han	Hsin-chu, Taiwan	Solar related business	-	116,000	-	-	-	499	499	Note 7
	Yun Yeh	Hsin-chu, Taiwan	Solar related business	-	8,000	-	-	-	171	171	Note 7
	Yong Zhou	Hsin-chu, Taiwan	Solar related business	41,500	41,500	-	100	7,059	(5,576)	(5,576)	-
	Ever Lite	Hsin-chu, Taiwan	Electronic component selling	6,000	6,000	-	100	2,787	5,281	5,281	-
	Yong Yao	Changhua, Taiwan	Solar related business	142,000	42,000	14,200	100	140,093	(1,794)	(1,794)	-
	Yong Shun	Hsin-chu, Taiwan	Solar related business	2,000	1,000	200	100	914	(1,064)	(1,064)	-
	JRC	Domincan	Solar related business	3,717	3,717	1	1	1,954	(223,670)	(2,217)	-
	GES UK	London, UK	Investment company	3,170,893	3,184,814	103,890	100	2,643,752	(205,793)	(205,793)	-
GES UK	GES USA	Nevada, US	Investment company	1,185,163	859,768	39,680	100	1,054,070	(83,684)	(83,684)	-
	NCH Solar 1	London, UK	Solar related business	414,684	414,684	7,947	100	331,104	7,892	7,892	-
	GES Solar 2	London, UK	Solar related business	61,326	61,326	1,021	100	27,277	82	82	-
	GES Solar 3	London, UK	Solar related business	3,328	3,328	67	100	(2,842)	(777)	(777)	-
	GES CANADA	Yaboda, Canada	Investment company	371,356	371,356	10,540	100	230,687	(192,224)	(192,224)	-
	GES JAPAN	Kitakyushu, Japan	Investment company	665,781	665,781	221	100	733,567	125,192	125,192	-
GES USA	ET ENERGY	Indiana, US	Solar related business	141,220	247,759	4,800	100	139,843	(3,919)	(3,919)	-
	TIPPING POINT	Ohio, US	Solar related business	34,471	34,471	1,155	100	18,463	(125)	(125)	-
	MEGATWO	California, US	Solar related business	441,462	249,911	14,687	100	308,828	(11,105)	(11,105)	-
	MEGATHREE	Delaware, US	Solar related business	38,606	38,606	1,284	40	34,539	1,752	1,734	-
	MEGAFIVE	California, US	Solar related business	19,527	19,527	635	100	19,614	2,905	2,905	-
	MEGASIX	California, US	Solar related business	-	-	-	-	(1,483)	(282)	(282)	Note 2
	MEGASEVEN	California, US	Solar related business	-	89,026	-	-	-	(468)	(258)	Note 7
	MEGAEIGHT	California, US	Solar related business	25,843	25,843	790	100	24,233	(15)	(15)	-
	MEGAELEVEN	New York, US	Solar related business	-	56,056	-	-	-	(276)	(152)	Note 7
	MEGATWELVE	Indiana, US	Solar related business	5,204	5,204	168	100	3,899	(621)	(621)	-
	MEGATHIRTEEN	Indiana, US	Solar related business	58,890	-	2,000	100	59,014	(1,447)	(1,447)	Note 8
	MEGAFIFTEEN	Massachusetts, US	Solar related business	-	102,067	-	-	-	(923)	(508)	Note 7
	MEGASIXTEEN	Indiana, US	Solar related business	351,772	-	11,981	100	349,397	(18,378)	(18,378)	Note 8
	MEGASEVENTEEN	Indiana, US	Solar related business	-	-	-	-	(23)	(23)	(23)	Note 2
	MEGANINETEEN	California, US	Solar related business	4,025	4,025	132	100	3,203	(998)	(998)	-
	MEGATWENTY	California, US	Solar related business	3,769	3,769	124	100	5,250	1,010	1,010	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2018			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2018	December 31, 2017	Shares (Thousands)	% of Ownership	Carrying Value			
GES USA	ASSET ONE	California, US	Solar related business	$ 34,229	$ 34,229	1,060	100	$ 33,689	$ 1,199	$ 1,199	-
	ASSET TWO	California, US	Solar related business	-	-	-	-	(202)	(40)	(40)	Note 2
	ASSET THREE	Hawaii, US	Solar related business	87,289	87,289	2,839	100	69,554	(4,947)	(4,947)	-
	ASSET FOUR	California, US	Solar related business	-	-	-	-	(171)	(70)	(70)	Note 2
	CENERGY	California, US	Solar related business	-	-	-	-	28,953	(145)	(145)	Note 2
	SH4	California, US	Solar related business	20,665	20,665	619	100	18,974	-	-	-
	CEDAR FALLS	Iowa, US	Solar related business	70,428	67,937	2,287	100	71,580	1,496	1,496	-
	Schenectady	New York, US	Solar related business	-	-	-	-	(5,567)	(301)	(301)	Note 2
	VOC	New York, US	Solar related business	-	-	-	-	(1,338)	(164)	(164)	Note 2
	HEYWOOD	Massachusetts, US	Solar related business	55,424	55,424	-	55	54,088	(313)	(172)	Note 6
	SEG	New York, US	Solar related business	24,144	-	800	100	24,726	220	220	-
	KINECT	Hawaii, US	Solar related business	8,143	8,143	266	100	10,092	1,188	1,188	-
	RER CT 57	Connecticut, US	Solar related business	62,093	62,093	2,031	100	60,960	276	276	-
	MP Solar	California, US	Solar related business	99,128	99,128	-	55	99,663	(501)	(276)	Note 6
	Ventura	California, US	Solar related business	91,867	91,867	3,013	55	92,462	(288)	(158)	Note 6
	TEV II	Indiana, US	Solar related business	3,018	-	0.2	50	(28,578)	(2,520)	(735)	Notes 9 and 15
GES JAPAN	GES KYUSHU	Kitakyushu, Japan	Solar related business	-	180,132	-	-	-	34,755	34,755	Note 7
	Hashimoto	Wakayama, Japan	Solar related business	55,893	55,893	5	100	66,095	9,590	9,590	-
GES CANADA	JRC	Dominican	Solar related business	371,967	371,967	74	99	183,082	(223,670)	(221,453)	-
MEGATWO	MUNISOL	Mexico	Solar related business	418,778	249,891	14,687	100	330,096	(10,859)	(10,859)	-
ASSET THREE	SHIMA'S	Hawaii, US	Solar related business	4,496	-	153	100	4,620	1	1	Note 8
	WAIMEA	Hawaii, US	Solar related business	16,185	16,185	526	100	17,300	475	475	-
	HONOKAWAI	Hawaii, US	Solar related business	12,260	-	418	100	14,011	1,316	1,316	Note 8
	ELEELE	Hawaii, US	Solar related business	19,589	19,589	637	100	21,169	575	575	-
	HANALEI	Hawaii, US	Solar related business	8,595	8,595	280	100	8,514	(10)	(10)	-
	KAPAA	Hawaii, US	Solar related business	23,391	23,391	761	100	23,798	243	243	-
	KOLOA	Hawaii, US	Solar related business	17,506	17,506	569	100	18,718	438	438	-
MEGASIXTEEN	GES AC	Indiana, US	Solar related business	738,518	179,033	-	67.59	766,692	13,096	131	Note 15
GES AC	ANDERSON N.	Indiana, US	Solar related business	410,752	410,752	13,507	100	420,330	5,293	5,293	Note 15
	ANDERSON S.	Indiana, US	Solar related business	348,325	348,325	11,454	100	356,509	4,549	4,549	Note 15
	Flora	Indiana, US	Solar related business	58,235	58,235	1,915	100	59,411	563	563	Note 15
	Greenfield	Indiana, US	Solar related business	262,480	262,480	8,631	100	268,573	3,355	3,355	Note 15
	Spiceland	Indiana, US	Solar related business	38,767	38,767	1,275	100	39,459	286	286	Note 15
TEV II	TEV Solar	Indiana, US	Solar related business	3,017	-	0.1	100	3,033	(74)	(74)	Notes 9 and 15
TEV Solar	AC GES Solar	Indiana, US	Solar related business	593,754	-	19,675	66.19	604,816	119	1	Notes 10 and 15
AC GES Solar	Richmond	Indiana, US	Solar related business	581,226	-	19,259	100	592,592	562	562	Notes 10 and 15
	Rensselaer	Indiana, US	Solar related business	299,760	-	9,933	100	305,627	296	296	Notes 10 and 15
	Advance	Indiana, US	Solar related business	16,106	-	534	100	16,422	17	17	Notes 10 and 15
NSP BVI	CFY	Cayman Islands	Investment company	1,198,860	1,198,860	9,672	26.01	1,295,281	421,499	94,117	Note 1
	CFGP	British Virgin Islands	Solar operation management services	184,440	184,440	30	60	112,473	(17,486)	(16,638)	-
	NSP Stars	British Virgin Islands	Trust company	-	-	-	-	-	-	-	-
	NSP HK	Hong Kong	Solar related business	-	-	-	-	(95)	-	-	Note 3
DelSolar Cayman	DelSolar HK	Hong Kong	Investment company	3,848,648	3,848,648	125,200	100	1,199,392	(399,184)	(399,184)	-
	DelSolar US	Delaware, US	Investment company	454,952	454,952	1	100	406,014	30,332	30,332	-
	NSP NEVADA	Nevada, US	Solar related business	157,543	157,543	-	100	168,002	12,304	12,304	-
	URE NSP	California, US	Solar related business	15,370	-	500	100	15,370	-	-	Note 14
DelSolar Singapore	DelSolar India	India	Solar related business	-	9,222	-	-	-	-	-	Note 7
	NSP Malaysia	Malaysia	Technical management services	23,362	23,362	760	100	18,650	(337)	(337)	-
	NSP Vietnam	Vietnam	Technical management services	4,918	4,918	-	100	(772)	(3,779)	(3,779)	-
NSP UK	NSP Germany	Cologne, Germany	Solar related business	662	662	25	90	2,635	1,553	1,398	-
	PV Power Park	Frankfurt, Germany	Solar related business	779	779	-	100	762	(35)	(35)	-
	NSP Indygen	UK	Solar related business	-	-	-	100	18,896	26,098	26,098	Note 7
NSP System	Hsin Jin Optoelectronics	Tainan, Taiwan	Solar related business	10,647	10,647	-	80	11,922	1,265	1,012	-
	Hisn Jin Solar Energy	Tainan, Taiwan	Solar related business	13,981	13,981	-	60	16,189	3,024	1,814	-
	Si Two	Tainan, Taiwan	Solar related business	20,000	20,000	2,000	100	19,747	(128)	(128)	-
NSP HK	XYH Suzhou	Jiangsu, China	Solar related business	-	-	-	100	(95)	-	-	-
CFGP	CFGP (HK)	Hong Kong	Solar operation management services	16,292	13,587	-	100	(10,870)	(4,008)	(4,008)	-
DelSolar HK	DelSolar Wu Jiang	Jiangsu, China	Solar related business	3,688,800	3,688,800	-	100	1,141,551	(344,463)	(344,463)	Note 3
	NSP JAPAN	Osaka, Japan	Solar related business	2,982	2,982	1	100	10,741	160	160	-
	NSP Nanchang	Jiangxi, China	Solar related business	153,700	153,700	-	11.36	45,583	(482,293)	(54,789)	Note 3
NSP NEVADA	Livermore	Delaware, US	Solar related business	4,611	4,611	-	75	1,589	(56)	(42)	-
	MEGASEVEN	California, US	Solar related business	-	71,501	-	-	-	(468)	(210)	Note 7
	MEGAELEVEN	California, US	Solar related business	-	45,034	-	-	-	(276)	(124)	Note 7
	MEGAFIFTEEN	Massachusetts, US	Solar related business	-	79,432	-	-	-	(923)	(415)	Note 7
	HEYWOOD	Massachusetts, US	Solar related business	44,512	44,512	-	45	43,963	(313)	(141)	Note 6
	Industrial Park	US	Solar related business	12,296	12,296	-	100	12,296	-	-	-
	Hillsboro	US	Solar related business	57,245	10,298	-	100	56,663	(572)	(572)	-
	MP Solar	California, US	Solar related business	81,768	81,768	-	45	81,542	(501)	(225)	Note 6
	Ventura	California, US	Solar related business	75,774	75,774	-	45	75,650	(288)	(130)	Note 6

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2018			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2018	December 31, 2017	Shares (Thousands)	% of Ownership	Carrying Value			
DelSolar US	DelSolar Development	Delaware, US	Solar related business	$ 149,089	$ 149,089	-	100	$ 122,060	$ (8,712)	$ (8,712)	-
	CFR	Delaware, US	Solar related business	134,334	134,334	-	100	(102,442)	(25,620)	(25,620)	-
	USD1	Delaware, US	Solar related business	110,111	110,111	-	100	203,578	4,277	4,277	-
	JV2	Delaware, US	Solar related business	25,514	25,053	-	67	63,088	(796)	(398)	Note 4
	Beryl	Delaware, US	Solar related business	-	-	-	100	133,046	84,327	84,327	-
NSP Indygen	POTTERS BAR	UK	Solar related business	-	35,055	-	-	-	(7,475)	(7,475)	Notes 2 and 7
	CLAY CROSS	UK	Solar related business	-	24,772	-	-	-	(7,095)	(7,095)	Notes 2 and 7
	BELPER	UK	Solar related business	-	32,329	-	-	-	(6,272)	(6,272)	Notes 2 and 7
	Bryncrynau	UK	Solar related business	-	6,310	-	-	-	(13,343)	(13,343)	Notes 2 and 7
	Meadowley	UK	Solar related business	-	9,036	-	-	-	(8,864)	(8,864)	Notes 2 and 7
DelSolar Wu Jiang	NSP Nanchang	Jiangxi, China	Solar related business	1,198,860	1,198,860	-	88.64	253,320	(482,293)	(427,504)	Note 3
DelSolar Development	DSS-USF PHX LLC	US	Solar related business	42,114	42,114	-	100	46,081	(204)	(204)	-
	DSS-RAL LLC	US	Solar related business	78,541	78,541	-	100	78,281	(9,206)	(9,206)	-
CFR	Rugged solar LLC	California, US	Solar related business	60,102	-	-	-	60,102	-	-	Note 2
	AVS Phase 2 LLC	California, US	Solar related business	282,801	-	-	-	282,801	-	-	Note 2
	Clear Solar I LLC	North Carolina, US	Solar related business	-	-	-	-	-	-	-	Note 2
	CEC Solar #1117	Colorado, US	Solar related business	-	-	-	-	-	-	-	Notes 2 and 7
	CEC Solar #1118	Colorado, US	Solar related business	-	-	-	-	-	-	-	Notes 2 and 7
	CEC Solar #1119	US	Solar related business	-	-	-	-	-	-	-	Notes 2 and 7
	CEC Solar #1121	US	Solar related business	-	-	-	-	-	-	-	Notes 2 and 7
	CEC Solar #1122	US	Solar related business	-	-	-	-	-	-	-	Notes 2 and 7
	CEC Solar #1128	US	Solar related business	-	-	-	-	-	-	-	Notes 2 and 7
	CEC Solar #1130	US	Solar related business	-	-	-	-	-	-	-	Notes 2 and 7
	CEC Solar #1133	US	Solar related business	-	-	-	-	-	-	-	Notes 2 and 7
	Ewauna	US	Solar related business	-	-	-	-	-	-	-	Notes 2 and 7
	Long Beach	North Carolina, US	Solar related business	-	-	-	-	-	-	-	Note 2
	Randolph	North Carolina, US	Solar related business	-	-	-	-	-	-	-	Note 2
	Roseville	California, US	Solar related business	-	-	-	-	-	-	-	Notes 2 and 7
	NHSG	New Hampshire, US	Solar related business	-	-	-	-	-	-	-	Notes 2 and 7
USD1	DevCo One	US	Solar related business	13,655	13,655	-	40	2,043	-	-	-
	DevCo Two	US	Solar related business	13,655	13,655	-	40	2,043	-	-	-
CFGP (HK)	CFGP (Shanghai)	Shanghai, China	Solar operations management services	16,292	13,587	-	100	(10,870)	(4,008)	(4,008)	-
NSP Stars	CFY	Cayman Islands	Investment company	-	-	-	2.66	-	421,499	-	Note 5

Note 1: Recognized on the basis of unaudited financial statements as December 31, 2018.

Note 2: The Group's structured entities.

Note 3: For investments in Mainland China, refer to Table 8.

Note 4: The Group's ownership interest in JV2 was 67% and the Group accounted for two thirds of the members of the board. According to the agreement, any material operation and management decision of JV2 shall be agreed by board of directors, 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 5: NSP Stars Limited has no right to the share of CFY's profit before meeting specific conditions.

Note 6: HEYWOOD, MP Solar and Ventura were each 55% - owned by GES USA and 45% - owned by NSP NEVADA.

Note 7: Yong Han and Yong Yeh were disposed of in March 2018, DelSolar India was cancelled in March 2018. MEGASEVEN, MEGAELEVEN and MEGAFIFTEEN were disposed of in June 2018. GES KYUSHU was disposal of in September 2018. POTTERS BAR, CLAY CROSS, BELPER, Bryncrynau and Meadowley were disposal of in October 2018. CEC Solar #1117, CEC Solar #1118, CEC Solar #1119, CEC Solar #1121, CEC Solar #1122, CEC Solar #1128, CEC Solar #1130, CEC Solar #1133, and Ewauna were disposed of in the fourth quarter 2018.

Note 8: As GES USA had injected capital in MEGASIXTEEN and MEGATHIRTEEN in the first quarter and second quarter of 2018, MEGASIXTEEN became a 100%-owned subsidiary of GES USA. In view of the fact that the power facilities of SHIMA and HONOKAWAI had been operated since the first quarter of 2018, SHIMA and HONOKAWAI became 100%-owned subsidiaries of ASSET THREE.

Note 9: GES USA and non-related party, Telamon Enterprise Ventures("Telamon") established TEV II and each acquired 50% of the shares of TEV II based on an agreement. GES USA is responsible for all relevant events and the risk of fluctuating return, thus, GES USA obtains substantial control over TEV II.

Note 10: TEV II acquired 100% of the shares of TEV Solar. TEV Solar and non-related party, Advantage Capital Solar Partners II, LLC("ACS") established AC GES Solar. TEV Solar acquired 66.19% of the shares of AC GES Solar which is the 100% owner of three LLC solar power facilities engaged in solar-related business.

Note 11: The acquisition of subsidiaries is due to the absorption merging of two corporations, Gintech Energy and Solartech Energy on October 1, 2018.

Note 12: True Honour Limited was an investment company which was cancelled in October 2018 and returned the shares in December 2018.

Note 13: The Corporation had recognized impairment loss on equity investment in Sunshine PV, an associate, and so the Group did not recognize any share of profit or loss of the associate.

Note 14: As DelSolar Cayman had injected capital in URE NSP in November 2018, URE NSP became a 100%-owned subsidiary of DelSolar Cayman.

Note 15: The original investment amount and proportion of ownership are listed according to legal qualifications.

(Concluded)

UNITED RENEWABLE ENERGY CO., AND SUBSIDIARIES
(FORMERLY NEO SOLAR POWER CORP.)

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2018	Remittance of Fund		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2018	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2018	Accumulated Repatriation of Investment Income as of December 31, 2018
					Outward	Inward						
DelSolar Wu Jiang	Solar related business	USD 120,000 $ 3,688,800	Indirect investments through the Group's 100% - owned subsidiary	USD 120,000 $ 3,688,800	$ -	$ -	USD 120,000 $ 3,688,800	(USD 11,415) ($ 344,463)	100	(USD 11,415) ($ 344,463) (Note 1)	USD 37,136 $ 1,141,551 (Note 1)	$ -
NSP Nanchang	Solar related business	USD 44,000 $ 1,352,560	Indirect investments through the Group's 100% - owned subsidiary	USD 5,000 $ 153,700	-	-	USD 5,000 $ 153,700	(USD 15,983) ($ 482,293)	100	(USD 15,983) ($ 482,293) (Note 1)	USD 9,724 $ 298,902 (Note 1)	-
JiangXi Solar PV Corp. (Note 2)	Solar related business	USD 18,450 $ 567,153	Indirect investments through the Group's 100% - owned subsidiary	USD 18,450 $ 567,153	-	-	USD 18,450 $ 567,153	(USD 32) ($ 966)	19.92	USD - $ -	USD - $ -	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2018	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
USD 143,450 $ 4,409,653	USD 161,032 (Note 3) $ 4,950,124	$ 14,944,207

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

Note 2: The acquisition of subsidiaries is due to the absorption merging of two corporations, Gintech Energy and Solartech Energy on October 1, 2018.

Note 3: On December 1, 2015, the Investment Commission, MOEA, authorized the investment of US$3,440 thousand in NSP (Jiangsu) Limited (tentative name) and, on August 31, 2016, authorized DelSolar HK's investment of US$8,000 thousand in NSP Nanchang, but the capital has not yet been invested as of December 31, 2018.

Note 4: The Group had recognized impairment loss on the equity investment in JiangXi Solar PV Corp., an associate, so that the Group did not recognize any share of profit or loss of associates.

Note 5: The exchange rate used is the rate on December 31, 2018.

TABLE 9

UNITED RENEWABLE ENERGY CO., AND SUBSIDIARIES
(FORMERLY NEO SOLAR POWER CORP.)

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
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
		Amount	%		Payment Term	Comparison with Normal Transaction	Ending Balance	%		
NSP Nanchang	Sales	$ 69	-	Specifically negotiated terms	Specifically negotiated terms	Specifically negotiated terms	$ -	-	$ -	-
	Other operating revenue	6,986	0.07	Specifically negotiated terms	Specifically negotiated terms	Specifically negotiated terms	-	-	-	-
	Purchase goods	66,279	1.01	Specifically negotiated terms	Specifically negotiated terms	Specifically negotiated terms	-	-	-	-

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

UNITED RENEWABLE ENERGY CO., AND SUBSIDIARIES
(FORMERLY NEO SOLAR POWER CORP.)

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2017
(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 year ended December 31, 2018						
0	The Corporation	GES	1	Other receivables	$ 465,402	Note 2	1%
			1	Accrued expense	931	Note 2	-
			1	Sales	130,258	Note 2	1%
			1	Estimated accrued expenses	114	Note 2	-
		Prime Energy	1	Rental income	60	Note 2	-
			1	Financial assets at fair value through other comprehensive income- non-current	59,085	Note 2	-
			1	Long-term investment interest	7,558	Note 2	-
		New Ray Investment	1	Rental income	60	Note 2	-
		DelSolar US	1	Other receivables	993,716	Note 2	2%
		NSP UK	1	Other receivables	77,989	Note 2	-
		NSP NEVADA	1	Other receivables	578,952	Note 2	1%
		NSP Indygen	1	Sales	208	Note 2	-
		NSP Germany	1	Support fees	7,133	Note 2	-
			1	Estimated accrued expenses	1,764	Note 2	-
		GES ME	1	Other receivables	571,235	Note 2	1%
		GES UK	1	Interest income	10,044	Note 2	-
			1	Other income	18,104	Note 2	-
		BPS	1	Accounts receivable	5,893	Note 2	-
			1	Rental income	423	Note 2	-
			1	Sales	35,280	Note 2	-
			1	Other income	1	Note 2	-
		NSP System	1	Accounts receivable	95,436	Note 2	-
			1	Other receivables	13,200	Note 2	-
			1	Sales	127,128	Note 2	1%
			1	Rental income	28	Note 2	-
			1	Service revenue	348	Note 2	-
			1	Other operating revenue	70	Note 2	-
			1	Dividends income (deduction of investments accounted for using the equity method)	48,838	Note 2	-
			1	Other income	13,200	Note 2	-
		NSP Nanchang	1	Payment in advance	54,835	Note 2	-
			1	Sales	69	Note 2	-
			1	Other operating revenue	6,986	Note 2	-
			1	Purchase	66,279	Note 2	1%

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	The Corporation	Hsin Jin Optoelectronics	1	Rental income	$ 28	Note 2	-
		Hsin Jin Solar Energy	1	Rental income	28	Note 2	-
		Ever Lite	1	Sales	26,867	Note 2	-
		Si Two	1	Rental income	12	Note 2	-
		NSP Vietnam	1	Other receivables	123	Note 2	-
			1	Accrued expense	555	Note 2	-
			1	Support fees	2,124	Note 2	-
		CFR	1	Other receivables	18,447	Note 2	-
			1	Refundable deposits	3,137	Note 2	-
		Beryl	1	Other receivables	47,556	Note 2	-
		POTTERS BAR	1	Sales	87	Note 2	-
		Bryncrynau	1	Sales	117	Note 2	-
		Meadowley	1	Sales	109	Note 2	-
		Gintech (Thailand)	1	Accounts receivable	258,237	Note 2	-
			1	Other receivables	6,192	Note 2	-
			1	Accounts payable	195,407	Note 2	-
			1	Estimated material payments	7,596	Note 2	-
			1	Estimated accrued expenses	5,495	Note 2	-
			1	Other cost of goods sold	270,484	Note 2	2%
			1	Purchase	7,559	Note 2	-
		Zhongyang	1	Accounts receivable	64,870	Note 2	-
			1	Other receivables	13,970	Note 2	-
			1	Receipt in advance	28,396	Note 2	-
			1	Sales	1,424	Note 2	-
			1	Other income	2,700	Note 2	-
		Apex	1	Accrued interest	14	Note 2	-
			1	Other receivables	24,000	Note 2	-
			1	Interest income	483	Note 2	-
		Solartech JP	1	Commission expense	172	Note 2	-
			1	Other income	815	Note 2	-
		SMC	1	Other receivables	95	Note 2	-
			1	Purchase	4,149	Note 2	-
			1	Other income	90	Note 2	-
		Utech	1	Payment in advance	96,132	Note 2	-
			1	Other receivables	8,322	Note 2	-
			1	Accounts payable	217	Note 2	-
			1	Accrued expense	143	Note 2	-
			1	Purchase	76,633	Note 2	1%
		Huiyang	1	Other receivables	158	Note 2	-
			1	Other income	150	Note 2	-
1	DelSolar Wu Jiang	NSP Nanchang	3	Other receivables	320,348	Note 2	1%
			3	Accounts receivable	62,338	Note 2	-
			3	Interest income	8,813	Note 2	-
			3	Other income	324	Note 2	-
2	DSS-RAL LLC	DelSolar US	3	Other receivables	20,907	Note 2	-
3	NSP UK	NSP Indygen	3	Other receivables	187,667	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
4	DelSolar US	CFR	3	Other receivables	$ 943,364	Note 2	2%
		Beryl	3	Other payables	31	Note 2	-
5	NSP NEVADA	GES USA	3	Other receivables	249,840	Note 2	-
		Livermore	3	Other receivables	45,413	Note 2	-
			3	Other payables	1,153	Note 2	-
		HEYWOOD	3	Other receivables	63,397	Note 2	-
		Industrial Park	3	Other receivables	81,465	Note 2	-
		Hillsboro	3	Other receivables	7,487	Note 2	-
6	USD1	CFR	3	Other receivables	245,139	Note 2	-
			3	Other payables	1,886	Note 2	-
7	Ever Lite	NSP System	3	Sales	1,250	Note 2	-
		GES ME	3	Sales	2,215	Note 2	-
		MUNISOL	3	Other operating revenue	526	Note 2	-
		General Energy Solutions	3	Sales	7,542	Note 2	-
		Yong Liang	3	Sales	2,484	Note 2	-
		Yong Han	3	Sales	1,756	Note 2	-
8	XYH Suzhou	DelSolar Wu Jiang	3	Other payables	113	Note 2	-
9	Beryl	CFR	3	Accounts receivable	48,691	Note 2	-
			3	Other payables	12,830	Note 2	-
10	BPS	NSP System	3	Sales	6,993	Note 2	-
11	General Energy Solutions	GES ME	3	Other receivables	2,784	Note 2	-
			3	Sales	6,814	Note 2	-
		Yong Han	3	Rental income	17	Note 2	-
			3	Other income	240	Note 2	-
		Yong Liang	3	Sales	106,403	Note 2	-
			3	Other receivables	882	Note 2	-
			3	Rental income	70	Note 2	-
			3	Other income	1,920	Note 2	-
		Yong Zhou	3	Other receivables	126	Note 2	-
			3	Rental income	70	Note 2	-
			3	Other income	240	Note 2	-
		Yun Yeh	3	Rental income	17	Note 2	-
			3	Other income	60	Note 2	-
		Ever Lite	3	Other receivables	252	Note 2	-
			3	Accounts payable	3,631	Note 2	-
			3	Rental income	70	Note 2	-
			3	Other income	480	Note 2	-
			3	Interest income	71	Note 2	-
		Yong Yao	3	Other receivables	255,828	Note 2	-
			3	Rental income	70	Note 2	-
		Yong Shun	3	Rental income	70	Note 2	-
		GES JAPAN	3	Accrued expense	226,159	Note 2	-
			3	Interest expense	49	Note 2	-
		GES USA	3	Other receivables	147,750	Note 2	-
			3	Interest income	418	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
11	GES	Hashimoto	3	Other receivables	$ 123	Note 2	2%
12	GES UK	GES USA	3	Other receivables	398,276	Note 2	1%
			3	Interest income	9,713	Note 2	-
		GES Solar 2	3	Other income	483	Note 2	-
			3	Other receivables	577	Note 2	-
		GES Solar 3	3	Other income	483	Note 2	-
			3	Other receivables	1,274	Note 2	-
		NCH Solar 1	3	Other income	965	Note 2	-
			3	Other receivables	467	Note 2	-
		JRC	3	Other receivables	445,217	Note 2	1%
		GES JAPAN	3	Accrued expense	125,619	Note 2	-
			3	Interest expense	449	Note 2	-
			3	Interest income	4,440	Note 2	-
		GES KYUSHU	3	Interest income	1,638	Note 2	-
13	GES USA	ET ENERGY	3	Accrued expense	11,836	Note 2	-
		TIPPING POINT	3	Other receivables	3,809	Note 2	-
		MEGATWO	3	Other receivables	44,987	Note 2	-
		MEGAFIVE	3	Other receivables	30,252	Note 2	-
		MEGASIX	3	Accounts receivable	7,101	Note 2	-
			3	Other receivables	71,766	Note 2	-
		MEGATWELVE	3	Other receivables	116	Note 2	-
		MEGATHIRTEEN	3	Other receivables	24,491	Note 2	-
		MEGASIXTEEN	3	Other receivables	17,719	Note 2	-
		MEGASEVENTEEN	3	Other receivables	4,755	Note 2	-
		MEGANINETEEN	3	Other receivables	9,920	Note 2	-
		MEGATWENTY	3	Other receivables	10,534	Note 2	-
		ASSET ONE	3	Other receivables	1	Note 2	-
		ASSET TWO	3	Other receivables	202	Note 2	-
		ASSET THREE	3	Other receivables	123	Note 2	-
		ASSET FOUR	3	Other receivables	171	Note 2	-
		CENERGY	3	Accrued expense	29,153	Note 2	-
			3	Other receivables	203	Note 2	-
		Schenectady	3	Other receivables	34,079	Note 2	-
		VOC	3	Other receivables	8,737	Note 2	-
		HEYWOOD	3	Accrued expense	46,413	Note 2	-
		SEG	3	Other receivables	1,906	Note 2	-
		KINECT	3	Other receivables	16,935	Note 2	-
		RER CT 57	3	Other receivables	3,141	Note 2	-
		MP Solar	3	Accrued expense	96,562	Note 2	-
		MUNISOL	3	Other receivables	773,580	Note 2	1%
		SHIMA'S	3	Other receivables	4,013	Note 2	-
		WAIMEA	3	Other receivables	2,217	Note 2	-
		HONOKAWAI	3	Other receivables	8,986	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
13	GES USA	ELEELE	3	Other receivables	$ 2,873	Note 2	-
		HANALEI	3	Other receivables	1,032	Note 2	-
		KAPAA	3	Other receivables	3,103	Note 2	-
		KOLOA	3	Other receivables	2,322	Note 2	-
		Ventura	3	Accrued expense	92,247	Note 2	-
		Spiceland	3	Other receivables	107	Note 2	-
		AC GES Solar	3	Other receivables	778	Note 2	-
		AC Solar	3	Other receivables	695	Note 2	-
		Advance	3	Other receivables	52	Note 2	-
		Rensselaer	3	Other receivables	779	Note 2	-
		Richmond	3	Other receivables	1,502	Note 2	-
		TEV II	3	Other receivables	80	Note 2	-
		TEV Solar Alpha	3	Other receivables	80	Note 2	-
14	GES CANADA	JRC	3	Other receivables	67,217	Note 2	-
15	MEGATWO	MUNISOL	3	Other receivables	23,691	Note 2	-
16	ASSET THREE	SHIMA'S	3	Other receivables	4,446	Note 2	-
		WAIMEA	3	Other receivables	13,729	Note 2	-
		HONOKAWAI	3	Other receivables	11,435	Note 2	-
		ELEELE	3	Other receivables	15,955	Note 2	-
		HANALEI	3	Other receivables	8,090	Note 2	-
		KAPAA	3	Other receivables	20,500	Note 2	-
		KOLOA	3	Other receivables	14,770	Note 2	-
17	NCH Solar 1	GES Solar2	3	Other receivables	188	Note 2	-
		GES Solar3	3	Accounts receivable	3,565	Note 2	-
			3	Other receivables	17	Note 2	-
18	MEGASIXTEEN	AC Solar	3	Other receivables	6	Note 2	-
		Anderson N.	3	Accrued expense	6,067	Note 2	-
		Anderson S.	3	Accrued expense	5,155	Note 2	-
		Flora	3	Accrued expense	1,111	Note 2	-
		Greenfield	3	Accrued expense	3,916	Note 2	-
		Spiceland	3	Accrued expense	726	Note 2	-
19	MEGATWELVE	MEGAEIGHT	3	Other receivables	251	Note 2	-
20	GES AC	Anderson N.	3	Accrued expense	2,820	Note 2	-
		Anderson S.	3	Accrued expense	2,505	Note 2	-
		Flora	3	Accrued expense	492	Note 2	-
		Greenfield	3	Accrued expense	1,648	Note 2	-
		Spiceland	3	Accrued expense	305	Note 2	-
21	TEV II	Advance	3	Other receivables	3	Note 2	-
		Rensselaer	3	Other receivables	3	Note 2	-
		Richmond	3	Other receivables	3	Note 2	-
		TEV Solar	3	Other receivables	609,000	Note 2	1%
22	TEV Solar	Advance	3	Other receivables	1,851	Note 2	-
		Rensselaer	3	Other receivables	1,260	Note 2	-
		Richmond	3	Other receivables	1,085	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
23	Yong Liang	Yong Yao	3	Other receivables	$ 26,398	Note 2	-
24	Yong Zhou	Yong Liang	3	Rental income	134	Note 2	-
		Yong Han	3	Rental income	45	Note 2	-
25	GES JAPAN	Hashimoto	3	Other receivables	209,810	Note 2	-
	For the year ended December 31, 2017						
0	NSP	GES	1	Accounts receivable	$ 24,754	Note 2	-
			1	Other receivables	380,115	Note 2	1%
			1	Accrued expenses	243	Note 2	-
			1	Sales	52,150	Note 2	1%
		Prime Energy	1	Rental income	60	Note 2	-
		V5 Technology	1	Rental income	644	Note 2	-
			1	Acquisition of property, plant and equipment	1,700	Note 2	-
			1	Software expense	600	Note 2	-
		New Ray Investment	1	Rental income	60	Note 2	-
		DelSolar US	1	Other receivables	1,038,741	Note 2	3%
		DelSolar India	1	Other receivables	45,653	Note 2	-
			1	Refundable deposits	103	Note 2	-
		NSP UK	1	Other receivables	504,024	Note 2	1%
		NSP NEVADA	1	Accounts receivable	20,140	Note 2	-
			1	Other receivables	879,682	Note 2	3%
			1	Sales	22,068	Note 2	-
		NSP Indygen	1	Sales	65,979	Note 2	1%
			1	Other receivables	70,395	Note 2	-
		NSP Germany	1	Support fees	7,067	Note 2	-
			1	Estimated accrued expenses	1,753	Note 2	-
		GES ME	1	Other receivables	389,403	Note 2	1%
		GES UK	1	Other receivables	1,046,434	Note 2	3%
			1	Interest receivable	8,369	Note 2	-
			1	Interest income	29,909	Note 2	-
			1	Other income	1,753	Note 2	-
		BPS	1	Accounts receivable	14,207	Note 2	-
			1	Rental income	135	Note 2	-
			1	Sales	29,978	Note 2	-
		NSP System	1	Accounts receivable	42,196	Note 2	-
			1	Sales	254,818	Note 2	2%
			1	Rental income	28	Note 2	-
		NSP Nanchang	1	Accounts receivable	9	Note 2	-
			1	Accounts payable	24,617	Note 2	-
			1	Prepayments	54,835	Note 2	-
			1	Sales	2,210	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	NSP Nanchang	1	Other operating revenue	$ 38,980	Note 2	-
			1	Purchases	101,227	Note 2	1%
			1	Maintenance and repair charges	66	Note 2	-
		Hsin Jin Optoelectronics	1	Rental income	28	Note 2	-
		Hsin Jin Solar Energy	1	Rental income	28	Note 2	-
		Ever Lite	1	Sales	9,299	Note 2	-
			1	Accounts receivable	4,834	Note 2	-
			1	Receipts in Advance	8,339	Note 2	-
		Si Two	1	Rental income	10	Note 2	-
		CFR	1	Other receivables	17,912	Note 2	-
			1	Refundable deposits	1,596	Note 2	-
		Beryl	1	Accounts receivable	33,907	Note 2	-
			1	Other receivables	12,269	Note 2	-
			1	Sales	51,676	Note 2	1%
		POTTERS BAR	1	Sales	68,408	Note 2	1%
			1	Other receivables	70,116	Note 2	-
		CLAY CROSS	1	Sales	63,166	Note 2	1%
			1	Other receivables	67,394	Note 2	-
		BELPER	1	Sales	67,321	Note 2	1%
			1	Accounts receivable	584	Note 2	-
			1	Other receivables	70,012	Note 2	-
		Bryncrynau	1	Sales	60,269	Note 2	1%
			1	Other receivables	64,303	Note 2	-
		Meadowley	1	Sales	59,444	Note 2	1%
			1	Other receivables	63,033	Note 2	-
1	DelSolar Wu Jiang	NSP Nanchang	3	Other receivables	329,088	Note 2	1%
			3	Accounts receivable	63,440	Note 2	-
			3	Interest income	5,288	Note 2	-
			3	Sales	441	Note 2	-
			3	Other income	120	Note 2	-
			3	Sale of property, plant and equipment	488	Note 2	-
2	DSS-RAL LLC	DelSolar US	3	Accrued expenses	54	Note 2	-
		DelSolar Development	3	Other receivables	20,300	Note 2	-
		DSS-USF PHX LLC	3	Accrued expenses	480	Note 2	-
3	DSS-USF PHX	DelSolar US	3	Other receivables	901	Note 2	-
4	NSP UK	NSP Indygen	3	Other receivables	752,911	Note 2	2%
		POTTERS BAR	3	Purchases	3,186	Note 2	-
		BELPER	3	Purchases	2,761	Note 2	-
5	DelSolar US	CFR	3	Other receivables	952,504	Note 2	3%
		Beryl	3	Accrued expenses	30	Note 2	-
6	NSP NEVADA	MEGASEVEN	3	Other receivables	116,808	Note 2	-
		MEGAELEVEN	3	Other receivables	67,458	Note 2	-
		MEGAFIFTEEN	3	Other receivables	120,958	Note 2	-
		GES USA	3	Other receivables	46,594	Note 2	-
		Livermore	3	Other receivables	44,095	Note 2	-
			3	Accrued expenses	1,119	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
6	NSP NEVADA	Industrial Park	3	Other receivables	$ 34,626	Note 2	-
		Hillsboro	3	Other receivables	37,699	Note 2	-
		HEYWOOD	3	Other receivables	61,557	Note 2	-
7	USD1	CFR	3	Other receivables	3,024	Note 2	-
8	Ever Lite	NSP System	3	Sales	5,083	Note 2	-
		GES ME	3	Sales	16,416	Note 2	-
			3	Receipts in Advance	2,250	Note 2	-
		GES USA		Other receivables	30,479	Note 2	-
		MUNISOL	3	Sales	30,738	Note 2	-
		Yong Liang	3	Sales	2,524	Note 2	-
		Yong Han	3	Sales	9,579	Note 2	-
			3	Accounts receivable	1,221	Note 2	-
9	NSP Indygen	POTTERS BAR	3	Other receivables	89,134	Note 2	-
		CLAY CROSS	3	Other receivables	102,936	Note 2	-
		BELPER	3	Other receivables	98,720	Note 2	-
		Bryncrynau	3	Other receivables	100,673	Note 2	-
		Meadowley	3	Other receivables	132,884	Note 2	-
		GES UK	3	Accrued expenses	49	Note 2	-
			3	Service expenses	48	Note 2	-
10	XYH Suzhou	DelSolar Wu Jiang	3	Accrued expenses	114	Note 2	-
11	Beryl	CFR	3	Other receivables	76,053	Note 2	-
12	BPS	NSP System	3	Accounts receivable	2,675	Note 2	-
			3	Sales	2,862	Note 2	-
			3	Receipts in Advance	1,214	Note 2	-
13	GES	GES ME	3	Other receivables	1,987	Note 2	-
			3	Other income	20	Note 2	-
			3	Sales	6,190	Note 2	-
			3	Receipts in Advance	6,930	Note 2	-
		New Castle	3	Rental income	9	Note 2	-
		Yong Han	3	Sales	56,423	Note 2	1%
			3	Accounts receivable	7,269	Note 2	-
			3	Other receivables	252	Note 2	-
			3	Rental income	70	Note 2	-
			3	Other income	480	Note 2	-
		Yong Liang	3	Sales	14,820	Note 2	-
			3	Accounts receivable	3,400	Note 2	-
			3	Other receivables	1,134	Note 2	-
			3	Rental income	70	Note 2	-
			3	Other income	2,160	Note 2	-
		Yong Zhou	3	Other receivables	126	Note 2	-
			3	Rental income	70	Note 2	-
			3	Other income	240	Note 2	-
		Yun Yeh	3	Other receivables	126	Note 2	-
			3	Rental income	70	Note 2	-
			3	Other income	240	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
13	GES	Ever Lite	3	Other receivables	$ 20,270	Note 2	-
			3	Rental income	70	Note 2	-
			3	Other income	480	Note 2	-
			3	Interest income	156	Note 2	-
		Yong Yao	3	Other receivables	177,394	Note 2	1%
		Yong Shun	3	Rental income	12	Note 2	-
		GES JAPAN	3	Accrued expenses	161,478	Note 2	-
		GES USA	3	Sales	87,188	Note 2	1%
			3	Accounts receivable	86,372	Note 2	-
			3	Other receivables	319,301	Note 2	1%
			3	Interest income	1,240	Note 2	-
		GES UK	3	Interest income	563	Note 2	-
		MUNISOL	3	Sales	230,726	Note 2	2%
		GES KYUSHU	3	Other receivables	168,314	Note 2	1%
14	GES UK	GES USA	3	Other receivables	377,113	Note 2	1%
			3	Interest income	6,521	Note 2	-
		GES Solar 2	3	Other income	471	Note 2	-
		GES Solar 3	3	Other income	471	Note 2	-
			3	Other receivables	636	Note 2	-
		NCH Solar 1	3	Other income	941	Note 2	-
		JRC	3	Other receivables	1,483,561	Note 2	4%
		GES JAPAN	3	Other receivables	212,165	Note 2	1%
			3	Interest income	4,574	Note 2	-
		GES KYUSHU	3	Interest income	484	Note 2	-
				Other receivables	82,382	Note 2	-
15	GES USA	ET ENERGY	3	Accrued expenses	29,650	Note 2	-
			3	Other receivables	5,970	Note 2	-
		TIPPING POINT	3	Other receivables	5,060	Note 2	-
		MEGATWO	3	Other receivables	43,493	Note 2	-
		MEGAFIVE	3	Other receivables	37,482	Note 2	-
		MEGASIX	3	Sales	7,025	Note 2	-
			3	Accounts receivable	6,895	Note 2	-
			3	Other receivables	65,732	Note 2	-
		MEGASEVEN	3	Accrued expenses	119,116	Note 2	-
		MEGAELEVEN	3	Accrued expenses	73,833	Note 2	-
		MEGATWELVE	3	Other receivables	14	Note 2	-
		MEGATHIRTEEN	3	Other receivables	56,040	Note 2	-
		MEGAFIFTEEN	3	Accrued expenses	142,110	Note 2	-
			3	Other receivables	14,499	Note 2	-
		MEGASIXTEEN	3	Other operating revenue	542,240	Note 2	5%
			3	Accounts receivable	532,210	Note 2	2%
			3	Other receivables	15,130	Note 2	-
		MEGANINETEEN	3	Other receivables	8,954	Note 2	-
		MEGATWENTY	3	Other receivables	11,264	Note 2	-
		ASSET TWO	3	Other receivables	156	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
15	GES USA	ASSET THREE	3	Other receivables	$ 2,143	Note 2	-
		ASSET FOUR	3	Other receivables	97	Note 2	-
		CENERGY	3	Accrued expenses	28,307	Note 2	-
			3	Other receivables	203	Note 2	-
		SH4	3	Other receivables	25	Note 2	-
		CEDAR FALLS	3	Other receivables	746	Note 2	-
		Schenectady	3	Other receivables	32,333	Note 2	-
		VOC	3	Other receivables	7,340	Note 2	-
		HEYWOOD	3	Sales	15,632	Note 2	-
			3	Accrued expenses	52,833	Note 2	-
			3	Other receivables	1,246	Note 2	-
		SEG	3	Other receivables	21,754	Note 2	-
		KINECT	3	Other receivables	18,004	Note 2	-
		RER CT 57	3	Other receivables	2,123	Note 2	-
		MP Solar		Accrued expenses	97,044	Note 2	-
			3	Other receivables	3	Note 2	-
		MUNISOL	3	Sales	941	Note 2	-
			3	Other receivables	628,546	Note 2	2%
		SHIMA'S		Sales	941	Note 2	-
			3	Other receivables	147	Note 2	-
		WAIMEA	3	Other receivables	2,241	Note 2	-
		HONOKAWAI	3	Other receivables	3,716	Note 2	-
		ELEELE	3	Other receivables	2,602	Note 2	-
		HANALEI	3	Other receivables	1,189	Note 2	-
		KAPAA	3	Other receivables	3,149	Note 2	-
		KOLOA	3	Other receivables	2,351	Note 2	-
		Ventura	3	Accrued expenses	89,936	Note 2	-
			3	Other receivables	53	Note 2	-
		GES AC	3	Other receivables	3	Note 2	-
		Anderson N.	3	Other receivables	3	Note 2	-
		Anderson S.	3	Other receivables	3	Note 2	-
16	GES CANADA	JRC	3	Other receivables	65,266	Note 2	-
17	ASSET THREE	SHIMA'S	3	Other receivables	9,160	Note 2	-
		WAIMEA	3	Other receivables	15,117	Note 2	-
		HONOKAWAI	3	Other receivables	24,975	Note 2	-
		ELEELE	3	Other receivables	18,124	Note 2	-
		HANALEI	3	Other receivables	8,345	Note 2	-
		KAPAA	3	Other receivables	22,113	Note 2	-
		KOLOA	3	Other receivables	16,101	Note 2	-
18	NCH Solar 1	GES Solar 3	3	Accounts receivable	3,663	Note 2	-
19	MEGASIXTEEN	GES AC	3	Other receivables	829,252	Note 2	2%
		Flora	3	Other receivables	3	Note 2	-
		Greenfield	3	Other receivables	3	Note 2	-
		Spiceland	3	Other receivables	3	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
20	MEGATWELVE	MEGAEIGHT	3	Other receivables	$ 279	Note 2	-
21	Yong Zhou	Yong Liang	3	Rental income	178	Note 2	-
		Yong Han	3	Rental income	178	Note 2	-
22	GES JAPAN	GES KYUSHU	3	Other receivables	202,420	Note 2	1%
		Hashimoto	3	Other receivables	218,408	Note 2	1%
		GES FUKUSHIMA	3	Other income	1,343	Note 2	-
23	Hashimoto	GES KYUSHU	3	Accrued expenses	158	Note 2	-
			3	Maintenance and repair charges	162	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)