



Press Release
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NSP Reports 2017 Financial Results, and Losses Narrowed

Neo Solar Power Corporation ("NSP", or "the Company", publicly listed on Taiwan Stock Exchange, Ticker: 3576 TT), a world-class leading manufacturer of high quality solar cells and modules in Hsinchu, Taiwan, today announced its 2017 full year financial report. The company delivered NT\$10,248 million in Net Revenues. However, the company recorded Net Loss as NT\$4,160 million with EPS of NT\$-4.08 because of the company's business transformation strategy in 2017 to gradually lower the production percentage of multicrystalline solar cell, recognizing loss associated with long-term supply contracts, and the slump average selling price of solar products.

The company's Net Revenue of NT\$10,248 million was declined by 38% compared with 2016 resulting from the transformation strategy of lowering the capacity of multicrystalline solar cell in the first half of 2017. Besides, the slump average sales price and the recognition of losses from the long-term purchase agreement made the company's Realized Gross Loss reach NT\$ 1,983 million with Gross Margin of -19.35%. Although the company's Operating Expenses was improved and decreased to NT\$1,751 million, the Operating Expense Ratio still increased to 17.09% due to the lower Net Revenue. On the other hand, the company also recognized an Other Expenses of NT\$158 million by scrapped Chunan fab facility. As a result, the company recorded the Operating Loss of NT\$3,893 million and Net Loss in 2017 was NT\$4,160 million while the underlying EPS closed at NT\$ -4.08.

To ensure company's long-term development and to construct a highly competitive supply-chain, NSP and other two Taiwan peers, Gintech and Solartech, have gained Board's approval and signed-off the merger agreement in January this year. The three companies believed that we should cooperate to form a solar flagship company with a competitive edge on the global market to support Taiwan government's energy policy and to create a winning business model. Besides, the proposed merger process will be implemented based on an equal and mutually beneficial principle. After the proposed merger effective date, the surviving company will be renamed United Renewable Energy Co., Ltd. ("URE")

Looking into 2018, with the accumulated technology leadership and the government's funding, URE will create a new business model for Taiwan's green energy industry, change its role as solar cell foundries for China peers, and go downstream solar module & solar system development. The own brand value can also be increased by integrating and focusing on solar modules & solar system business in the future. Combining each of the three companies' unique niche and capabilities of technology, efficiency, quality, management, it is believed that the most operation synergy will come.

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

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

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