FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2015 AND 2016
(With Independent Accountants' Review Report Thereon)

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Independent Accountants' Review Report

The Board of Directors
Formosa Plastics Corporation

We have reviewed the accompanying consolidated statements of financial position of Formosa Plastics Corporation (the "Company") and its subsidiaries as of September 30, 2015 and 2016, and the related consolidated statements of comprehensive income for the three-month and nine-month periods ended September 30, 2015 and 2016, and changes in equity and cash flows for the nine-month periods then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews. We did not review the financial statements of certain investee companies under the equity method and certain investee information disclosed in Note 13 as of and for the nine-month periods ended September 30, 2015 and 2016. The Company's investments in the aforementioned investee companies were NT$77,210,932 thousand and NT$85,014,571 thousand, constituting 18.28% and 20.16% of the consolidated total assets as of September 30, 2015 and 2016, respectively; and the recognized shares of profit of the associates and joint ventures accounted for using equity method of these investee companies amounted to NT$2,715,290 thousand, NT$4,798,507 thousand, NT$10,263,981 thousand and NT$15,206,177 thousand, constituting 23.12%, 39.56%, 36.11% and 49.96% of the consolidated income before income tax for the three-month and nine-month periods ended September 30, 2015 and 2016, respectively. The consolidated financial statements of the aforementioned investee companies were reviewed by other independent accountants whose reports have been furnished to us, and our report, insofar as it relates to the amounts included for these investee companies, is based solely on the reports of other independent accountants.

Except as described in the paragraph 3 and 4, we conducted our reviews in accordance with Statement on Auditing Standards No. 36 "Review of Financial Statements" of the Republic of China (ROC). A review consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards, the objective of which is to express an opinion regarding the financial statement taken as a whole. Accordingly, we do not express such an opinion.

Included in the consolidated financial statements are the financial statements of other consolidated subsidiaries of the Company as of and for the nine-month period ended September 30, 2016, which were not reviewed by independent accountants. The total assets of these subsidiaries amounted to NT$21,168,248 thousand, representing 5.02% of the related consolidated total assets as of September 30, 2016; the total liabilities amounted to NT$16,093 thousand, representing 0.01% of the related consolidated total liabilities as of September 30, 2016; and their comprehensive income (loss) amounted to the net losses of NT$(652,734) thousand and NT$(1,189,359) thousand, representing (6.58)% and (5.56)% of the consolidated total comprehensive income (loss) for the three-month and nine-month periods ended September 30, 2016, respectively.

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Furthermore, the other equity-accounted investments of the Company in its investee companies of NT$94,216,093 thousand and NT$83,113,713 thousand as of September 30, 2015 and 2016, respectively, and its equity in net earnings on these investee companies of NT$1,648,333 thousand, NT$1,820,009 thousand, NT$5,068,267 thousand and NT$5,454,897 thousand for the three-month and nine-month periods ended September 30, 2015 and 2016, respectively, were recognized solely on the financial statements prepared by these investee companies but not reviewed by independent accountants.

Based on our reviews and the review reports of other independent accountants, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in paragraphs 3 and 4 above been reviewed by independent accountants, we are not aware of any material modifications that should be made to the consolidated financial statements referred to in the first paragraph in order for them to be in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard No. 34 "Interim Financial Reporting" as endorsed by Financial Supervisory Commission, ROC.

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Taipei, Taiwan (the Republic of China)
November 8, 2016

Notes to Readers

The accompanying consolidated financial statements are intended only to present the financial position, results of operations and cash flows in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards No. 34 "Interim Financial Reporting" as endorsed by Financial Supervisory Commission, ROC, and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

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

Reviewed only, not audited in accordance with generally accepted auditing standards as of September 30, 2015 and 2016

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2015, DECEMBER 31, 2015 AND SEPTEMBER 30, 2016
(Expressed in thousands of New Taiwan Dollars)

	September 30, 2015	December 31, 2015	September 30, 2016
Assets			
Current assets：			
Cash and cash equivalents (note 6(1))	$ 26,810,124	19,756,722	16,223,800
Available-for-sale financial assets－current (note 6(2))	65,410,931	79,288,300	84,472,501
Notes receivable (note 6(3))	1,741,906	1,914,785	1,109,151
Accounts receivable, net (note 6(3))	7,037,200	5,956,527	6,377,588
Accounts receivable－related parties (notes 6(3) and 7)	3,892,038	3,529,159	2,774,861
Other receivables (note 6(3))	1,221,241	1,099,364	622,988
Other receivables－related parties (notes 6(3) and 7)	20,007,781	15,815,496	18,902,132
Inventories (note 6(4))	18,440,697	16,696,688	16,998,946
Other current assets	5,660,311	4,501,464	4,047,294
Total current assets	150,222,229	148,558,505	151,529,261
Non-current assets：			
Available-for-sale financial assets－non-current (note 6(2))	4,834,937	-	-
Financial assets carried at cost－non-current (notes 6(5) and 7)	2,462,768	2,534,190	17,562,973
Investments accounted for using equity method (notes 6(5), 7 and 8)	171,427,025	180,274,482	168,128,284
Property, plant and equipment (notes 6(6), 7 and 8)	81,586,955	81,461,329	74,707,806
Intangible assets	550,167	586,857	506,180
Deferred tax assets	1,598,535	1,637,819	1,340,441
Other assets (notes 6(3), 7 and 8)	9,595,519	8,447,868	7,870,858
Total non-current assets	272,055,906	274,942,545	270,116,542
Total assets	$ 422,278,135	423,501,050	421,645,803

	September 30, 2015	December 31, 2015	September 30, 2016
Liabilities and Equity			
Current liabilities：			
Short-term borrowings (notes 6(7) and 8)	$ 17,746,611	12,399,653	18,618,470
Short-term notes and bills payable (note 6(8))	-	-	7,499,610
Accounts payable	1,996,627	4,345,240	2,137,386
Accounts payable－related parties (note 7)	6,294,558	6,649,234	5,261,247
Other payables	4,802,662	4,966,775	2,231,566
Other payables－related parties (note 7)	3,009,414	2,801,830	1,485,883
Current portion of bonds payable (note 6(10))	13,536,885	14,635,089	14,641,348
Current portion of long-term debts (notes 6(9) and 8)	3,630,090	1,627,254	5,429,028
Other current liabilities (note 7)	12,979,272	12,038,977	13,969,328
Total current liabilities	63,996,119	59,464,052	71,273,866
Non-current liabilities：			
Bonds payable (note 6(10))	43,393,938	37,303,242	28,762,917
Long-term debts (notes 6(9) and 8)	22,392,568	18,097,544	16,293,338
Deferred tax liabilities	11,246,254	11,554,480	12,198,606
Net defined benefit liabilities-noncurrent liabilities	8,580,758	8,876,233	6,743,766
Other liabilities (note 6(5))	361,410	770,595	477,304
Total non-current liabilities	85,974,928	76,602,094	64,475,931
Total liabilities	149,971,047	136,066,146	135,749,797
Equity (notes 6(12) (13)):			
Common stock	63,657,408	63,657,408	63,657,408
Capital surplus	11,443,725	11,443,715	11,443,654
Retained earnings			
Legal reserve	45,138,549	45,138,549	48,226,276
Special reserve	43,706,916	43,706,916	46,721,324
Unappropriated retained earnings	53,851,311	58,804,131	57,122,070
Total retained earnings	142,696,776	147,649,596	152,069,670
Other components of equity	54,509,179	64,684,185	58,725,274
Total equity	272,307,088	287,434,904	285,896,006
Total Liabilities and Equity	$ 422,278,135	423,501,050	421,645,803

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2015 AND 2016

(Expressed in thousands of New Taiwan Dollars, except for earnings per share)

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2015	**2016**	**2015**	**2016**
Operating revenues (notes 6(15) and 7)	$ 46,995,229	42,144,696	145,699,706	129,726,099
Operating costs (notes 6(4)(11)(16) and 7)	41,560,996	37,572,809	128,635,155	114,096,015
Gross profit	5,434,233	4,571,887	17,064,551	15,630,084
Operating expenses (notes 6(3)(11)(16) and 7)：				
Selling expenses	1,325,871	1,250,219	4,076,322	3,904,199
Administrative expenses	1,126,933	1,408,424	3,278,251	3,614,968
Research and development expenses	209,962	205,299	605,000	559,235
Total operating expenses	2,662,766	2,863,942	7,959,573	8,078,402
Operating income	2,771,467	1,707,945	9,104,978	7,551,682
Non-operating income and expenses (notes 6(5)(17) and 7)：				
Other income	3,303,900	4,902,621	3,520,291	5,130,712
Other gains and losses	1,633,304	(749,945)	1,490,772	(1,901,006)
Finance costs	(326,989)	(350,613)	(1,021,720)	(1,006,670)
Recognized share of profit of associates and joint ventures accounted for using equity method, net	4,363,623	6,618,516	15,332,248	20,661,074
Total non-operating income and expenses	8,973,838	10,420,579	19,321,591	22,884,110
Income before income tax	11,745,305	12,128,524	28,426,569	30,435,792
Less: income tax expense (note 6(12))	1,215,226	733,143	3,391,698	3,099,051
Net income	10,530,079	11,395,381	25,034,871	27,336,741
Other comprehensive income (loss) (notes 6(12)(13)):				
Items that could be reclassified subsequently to profit or loss				
Exchange differences arising on translation foreign operations	4,845,686	(3,189,107)	2,863,694	(6,428,228)
Unrealized gains on available-for-sale financial assets	(20,217,676)	1,256,390	(24,291,149)	265,951
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(2,760,473)	27,818	(5,210,061)	(587,233)
Income tax expense related to components of other comprehensive income	(833,342)	434,138	(584,455)	790,599
Total items that could be reclassified subsequently to loss	(18,965,805)	(1,470,761)	(27,221,971)	(5,958,911)
Total comprehensive income (loss)	$ (8,435,726)	9,924,620	(2,187,100)	21,377,830
Basic earnings per share (note 6(14))				
-before income tax	$ 1.85	1.90	4.47	4.78
-after income tax	$ 1.65	1.79	3.93	4.29

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2015 AND 2016
(Expressed in thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Parent								
			Retained Earnings			Others			
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange difference on translation of foreign operations	Unrealized gains on available-for-sale financial assets	Gains (losses) on effective portion of cash flow hedges	Total Equity
Balance as of January 1, 2015	$ 63,657,408	11,277,988	43,339,205	39,078,218	46,066,241	5,416,784	76,317,462	(3,096)	285,150,210
Net income for the period	-	-	-	-	25,034,871	-	-	-	25,034,871
Other comprehensive income (loss) for the period, net after tax	-	-	-	-	-	2,279,239	(29,525,323)	24,113	(27,221,971)
Total comprehensive income (loss) for the period	-	-	-	-	25,034,781	2,279,239	(29,525,323)	24,113	(2,187,100)
Legal reserve	-	-	1,799,344	-	(1,799,344)	-	-	-	-
Special reserve	-	-	-	4,628,698	(4,628,698)	-	-	-	-
Cash dividends	-	-	-	-	(10,821,759)	-	-	-	(10,821,759)
Changes in capital surplus									
Cash dividends	-	165,904	-	-	-	-	-	-	165,904
Other	-	(167)	-	-	-	-	-	-	(167)
Balance as of September 30, 2015	**$ 63,657,408**	**11,443,725**	**45,138,549**	**43,706,916**	**53,851,311**	**7,696,023**	**46,792,139**	**21,017**	**272,307,088**
Balance as of January 1, 2016	$ 63,657,408	11,443,715	45,138,549	43,706,916	58,804,131	7,182,538	57,419,371	82,276	287,434,904
Net income for the period	-	-	-	-	27,336,741	-	-	-	27,336,741
Other comprehensive income (loss) for the period, net of income tax	-	-	-	-	-	(5,637,629)	(274,663)	(46,619)	(5,958,911)
Total comprehensive income (loss) for the period	-	-	-	-	27,336,741	(5,637,629)	(274,663)	(46,619)	21,377,830
Legal reserve	-	-	3,087,727	-	(3,087,727)	-	-	-	-
Special reserve	-	-	-	3,014,408	(3,014,408)	-	-	-	-
Cash dividends	-	-	-	-	(22,916,667)	-	-	-	(22,916,667)
Changes in capital surplus									
Other	-	(61)	-	-	-	-	-	-	(61)
Balance as of September 30, 2016	**$ 63,657,408**	**11,443,654**	**48,226,276**	**46,721,324**	**57,122,070**	**1,544,909**	**57,144,708**	**35,657**	**285,896,006**

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards
FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2015 AND 2016
(Expressed in thousands of New Taiwan Dollars)

	For the nine-month periods ended September 30,	
	2015	**2016**
Cash flows from operating activities:		
Income before income tax	$ 28,426,569	30,435,792
Adjustments for:		
Depreciation expense	5,744,791	6,295,465
Amortization expense	487,479	454,725
Provision for bad debt expense	121	693
Interest expenses	1,021,720	1,006,670
Interest income	(279,719)	(247,812)
Share of profit of associates and joint ventures accounted for using equity method	(15,332,248)	(20,661,074)
Gain (loss) on disposal of property, plant and equipment	(7,173)	140
Gain on disposal of investments	(160,655)	-
Unrealized foreign exchange gain	(103,389)	254,392
Incomes and expenses not affecting cash flows	(8,629,073)	(12,896,801)
Changes in operating assets and liabilities :		
Changes in operating assets :		
Notes receivable	(715,088)	805,634
Accounts receivable	569,847	(475,074)
Accounts receivable－related parties	333,956	754,298
Other receivables	(152,148)	(672,096)
Other receivables－related parties	4,490,973	5,022,354
Inventories	4,112,979	(74,938)
Other current assets	(577,590)	454,170
Total changes in operating assets	8,062,929	5,814,348
Changes in operating liabilities :		
Accounts payable	(3,458,348)	(2,207,854)
Accounts payable－related parties	(1,064,081)	(1,387,987)
Other payables	1,035,554	20,170
Other payables－related parties	1,131,614	(407,506)
Accrued expense and other current liabilities	3,225,601	2,685,468
Net defined benefit liabilities	(404,378)	(2,132,467)
Total changes in operating liabilities	462,962	(3,430,176)
Total changes in operating assets and liabilities	8,528,891	2,384,172
Total adjustments	(100,182)	(10,512,629)
Cash generated from operations:	28,326,387	19,923,163
Interest received	262,787	228,161
Dividends received	4,143,477	13,168,123
Interest paid	(893,891)	(1,761,787)
Income tax paid	(48,051)	(3,671,722)
Net cash provided by operating activities	31,790,709	27,885,938
Cash flows from investing activities:		
Acquisition of available-for-sale financial assets	(3,500,000)	(4,918,250)
Proceeds from disposal of available-for-sale financial assets	3,809549	-
Acquisition of financial assets carried at cost－non-current	(25,000)	(29,223)
Acquisition of investment accounted for using equity method	(2,349,150)	(85,000)
Acquisition of property, plant and equipment	(2,851,847)	(2,323,056)
Proceeds from disposal of property, plant and equipment	29,498	4,471
Decrease (increase) in due from related parties (listed under other receivables－related parties)	5,227,657	(8,119,741)
Decrease in other assets	945,098	595,078
Net cash provided by (used in) investing activities	1,285,805	(14,875,721)
Cash flows from financing activities:		
Increase in short-term borrowings	92,682,389	152,246,901
Decrease in short-term borrowings	(88,707,880)	(146,026,273)
Increase in short-term notes and bills payable	-	7,499,610
Repayments of bonds payable	(3,000,000)	(8,550,000)
Proceeds from long-term debts	4,010,000	3,800,000
Repayments of long-term debts	(7,304,287)	(1,331,877)
Increase (decrease) in due to related parties (recognized as other payables－related parties)	940,641	(908,441)
(Decrease) increase in other liabilities	(111,885)	(275,949)
Cash dividends paid	(10,340,505)	(23,367,333)
Net cash used in financing activities	(11,831,227)	(16,913,362)
Effect of foreign currency exchange translation	172,012	370,223
Increase in cash and cash equivalents	21,417,299	(3,532,922)
Cash and cash equivalents at beginning of period	5,392,825	19,756,722
Cash and cash equivalents at end of period	**$ 26,810,124**	**16,223,800**

See accompanying notes to consolidated financial statements.

<u>Notes to consolidated financial statements as of September 30, 2015 and 2016 are reviewed only, not audited in accordance with generally accepted auditing standards</u>

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2015 AND 2016
(All amounts are expressed in thousands of New Taiwan Dollars, except for per share information or unless otherwise specified)

1. Organization and Principal Activities

Formosa Plastics Corporation (the "Company") was incorporated on November 5, 1954, and established its factories in Kaohsiung City. The Company and its subsidiaries (the "Group") engage in the manufacture and sale of plastic raw materials, chemical fibers, and petrochemical products. The Company has gone through several capital increases and established many divisions, and become a well-diversified enterprise.

2. Approval Date and Procedures of The Consolidated Financial Statements

The consolidated financial statements as of and for the nine-month period ended September 30, 2016 were approved and authorized for issue by the board of directors on November 8, 2016.

3. New and Revised Standards and Interpretations

Impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commissions R.O.C. ("FSC") but not yet in effect

According to the Ruling No. 1050026834 issued on July 18, 2016 by the FSC, public entities are required to conform to the IFRSs which were issued by the International Accounting Standards Board (IASB) before January 1, 2016, and were endorsed by the FSC on January 1, 2017 (excluding IFRS 9 "Financial Instruments", IFRS 15 "Revenue from Contracts with Customers", and others which have yet to be approved by the FSC in order for them to take effect) in preparing their financial statements. The related new standards, interpretations and amendments are as follows:

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception"	January 1, 2016
Amendments to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"	January 1, 2016
IFRS 14 "Regulatory Deferral Accounts"	January 1, 2016
Amendment to IAS 1 "Disclosure Initiative"	January 1, 2016
Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"	January 1, 2016

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants"	January 1, 2016
Amendments to IAS 19 "Defined Benefit Plans: Employee Contributions"	July 1, 2014
Amendment to IAS 27 "Equity Method in Separate Financial Statements"	January 1, 2016
Amendments to IAS 36 "Recoverable Amount Disclosures for Non-Financial Assets"	January 1, 2014
Amendments to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014
Annual improvements cycles 2010-2012 and 2011-2013	July 1, 2014
Annual improvements cycle 2012-2014	January 1, 2016
IFRIC 21 "Levies"	January 1, 2014

The Group assessed that the initial application of the above IFRSs would not have any material impact on its consolidated financial statements.

Newly released or amended standards and interpretations not yet endorsed by the FSC

A summary of the new standards and amendments issued by the IASB but not yet endorsed by the FSC as of the end of reporting date is as follows:

New, Revised or Amended Standards and Interpretations	Effective date per IASB
IFRS 9 "Financial Instruments"	January 1, 2018
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	Effective date to be determined by IASB
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2018
IFRS 16 "Leases"	January 1, 2019
Amendment to IFRS 2 "Clarifications of classification and measurement of share-based payment transactions"	January 1, 2018
Amendment to IFRS 15 "Clarifications of IFRS 15"	January 1, 2018
Amendment to IAS 7 "Disclosure Initiative"	January 1, 2017
Amendment to IAS 12 "Recognition of Deferred Tax Assets for Unrealized Losses"	January 1, 2017

(Continued)

The Group is still currently determining the potential impact of the standards listed below:

Issuance / Release Dates	Standards or Interpretations	Content of amendment
May 28, 2014 April 12, 2016	IFRS 15 "Revenue from Contracts with Customers"	The new standard provides a single model for determining whether an entity recognizes revenue in accordance with the method, timing and amount by applying the five-step model. IFRS 15 replaces IAS 11”Construction Contracts”, IAS 18 “Revenue”, and the relevant interpretations. Final amendments issued on April 12, 2016 clarify how to (i) identify performance obligations in a contract; (ii) determine whether a company is a principal or an agent; (iii) account for a license for intellectual property (IP); and (iv) apply the transition requirements.
November 19, 2013 July 24, 2014	IFRS 9 "Financial Instruments"	The standard will replace IAS 39 "Financial Instruments: Recognition and Measurement", and the main amendments are as follows: ・ Classification and measurement: Financial assets are measured at amortized cost, fair value through profit or loss, or fair value through other comprehensive income, based on both the entity's business model for managing the financial assets and the financial assets' contractual cash flow characteristics. Financial liabilities are measured at amortized cost or fair value through profit or loss. Furthermore, there is a requirement that "own credit risk" adjustments be measured at fair value through other comprehensive income. ・ Impairment: The expected credit loss model is used to evaluate impairment. ・ Hedge accounting: Hedge accounting is more closely aligned with risk management activities, and hedge effectiveness is measured based on the hedge ratio.

(Continued)

Issuance / Release Dates	Standards or Interpretations	Content of amendment
January 13, 2016	IFRS 16 "Leases"	The new standard of accounting for lease is amended as follows: ・ For a contract that is, or contains, a lease, the lessee shall recognize a right-of-use asset and a lease liability in the balance sheet. In the statement of profit or loss and other comprehensive income, a lessee shall present the interest expense on the lease liability separately from the depreciation charge for the right-of use asset during the lease term. ・ A lessor classifies a lease as either a finance lease or an operating lease, and therefore, the accounting remains similar to IAS 17.

The Group is evaluating the impact on its financial position and financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

4. Summary of Significant Accounting Policies

(1) Statement of Compliance

The accompanying consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to the Regulations) and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed by the FSC. These consolidated financial statements are not required to include all disclosures required for full annual financial statements under the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations as endorsed by the FSC (hereinafter referred to as IFRS as endorsed by the FSC).

Except as described below, the significant accounting policies adopted in the accompanying consolidated financial statements are the same as the consolidated financial statements as of and for the year ended December 31, 2015. Please refer to Note 4 of the financial statements as of and for the year ended December 31, 2015 for the detail disclosures of significant accounting policies.

(2) Basis of Consolidation

Principle of preparing consolidated financial statements are the same as the consolidated financial statements as of and for the year ended December 31, 2015. Please refer to Note 4 of the consolidated financial statements as of and for the year ended December 31, 2015.

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Subsidiary included in the consolidated financial statements is as follows:

Investor	Name of subsidiaries	Business activity	Percentage of Ownership (%) September 30,2015	December 31,2015	September 30,2016	Note
The Company	Formosa Plastics Corp. (Cayman Ltd).	Investment	100%	100%	100%	-
The Company	Formosa Industries Corporation	High Density Polyethylene	-	100%	100%	(Note)
The Company	Formosa Plastics International (Cayman) Limited	Investment	-	-	100%	(Note)
Formosa Plastics Corp. (Cayman Ltd.)	Formosa Industries (Hong Kong) Limited	Investment	100%	100%	100%	-
Formosa Industries (Hong Kong) Limited	Formosa Industries (Ningbo) Co., Ltd.	Plastics	100%	100%	100%	-
Formosa Industries (Hong Kong) Limited	Formosa Acrylic Esters (Ningbo) Co., Ltd.	Acrylic Esters	100%	100%	100%	-
Formosa Industries (Hong Kong) Limited	Formosa Polyethylene (Ningbo) Co., Ltd.	Polyethylene	100%	100%	100%	-
Formosa Industries (Hong Kong) Limited	Formosa Polypropylene (Ningbo) Co., Ltd.	Polypropylene	100%	100%	100%	-
Formosa Industries (Hong Kong) Limited	Formosa Super Absorbent Polymer (Ningbo) Co., Ltd.	Absorbent polymer	100%	100%	100%	-
Formosa Industries (Hong Kong) Limited	Formosa electronic (Ningbo) Co., Ltd.	Electronics	100%	100%	100%	-

Note: The subsidiaries' financial statements were not reviewed for the nine-month period ended September 30, 2016.

2. Subsidiary not included in the consolidated financial statements: None.

(3) Income Tax

The Group evaluates and discloses interim period income tax expense in accordance with paragraph B12 of IAS 34 "Interim Financial Reporting".

Income tax expense is the best estimated by multiplying the pretax income for the interim reporting period by the effective annual tax rate as forecasted by the management, and is recognized as current tax expense.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled and recognized directly in equity or other comprehensive income as tax expense.

(4) Employee Benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5. Critical Accounting Judgments and Key Sources of Estimation Uncertainly

The consolidated financial statements are prepared in conformity with IAS 34 “Interim financial reporting” as endorsed by the FSC, under which, management make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In these consolidated financial statements, judgments and key sources of estimation uncertainty used by management in the application of critical accounting policies are expected to be consistent with those of Note 5 of the consolidated financial statements as of and for the year ended December 31, 2015.

6. Significant Accounts

Except as described below, the description of significant accounts in the accompanying consolidated financial statements is not materially different from the consolidated financial statements as of and for the year ended December 31, 2015. Please refer to Note 6 of the financial statements as of and for the year ended December 31, 2015 for the detailed disclosures of these significant accounts.

(1) Cash and Cash Equivalents

	September 30, 2015	December 31, 2015	September30 2016
Cash on hand	$ 477	315	314
Bank deposit	10,812,431	3,572,021	3,726,384
Time deposits	15,997,216	16,184,386	12,497,102
	$ 26,810,124	**19,756,722**	**16,223,800**

(2) Available-for-sale Financial Assets

	September 30, 2015	December 31, 2015	September30, 2016
Publicly traded investment:			
Listed stocks	$ 70,245,868	79,288,300	79,748,100
Unpublicly traded investment:			
Private fund	-	-	4,724,401
	$ 70,245,868	**79,288,300**	**84,472,501**

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(3) Notes Receivable, Accounts Receivable and Other Receivables

	September 30, 2015	December 31, 2015	September30, 2016
Notes receivable	$ 1,741,906	1,914,785	1,109,151
Accounts receivable (including related parties)	10,934,336	9,489,427	9,156,883
Other receivables－current (including related parties)	21,229,022	16,914,860	19,525,120
Other receivables－non-current (listed under other assets)	485,859	296,866	3,962
Less : allowance for doubtful receivables	(5,098)	(3,741)	(4,434)
	$ 34,386,025	28,612,197	29,790,682

Aging analysis of notes receivable, accounts receivable and other receivables:

	Neither past due nor impaired	Past due but not impaired			Total
		Within 30 days	31-60 days	Over 61 days	
September 30, 2015	$ 34,366,657	19,364	4	-	34,386,025
December 31, 2015	28,554,175	55,257	503	2,262	28,612,197
September 30, 2015	29,749,059	34,227	1,439	5,957	29,790,682

Movements of the allowance for doubtful receivables were as follows:

	For the nine-month periods ended September 30,	
	2015	2016
Balance, beginning of period	$ 4,977	3,741
Provision of impairment	772	1,496
Reversal of impairment	(651)	(803)
Balance, end of period	$ 5,098	4,434

The terms of sales made by the Group were net 30~90 days. Based on historical default rates, the Group recognizes 0.1% allowance for impairment of uncollectible accounts receivable.

(4) Inventories

	September 30, 2015	December 31, 2015	September 30, 2016
Finished goods	$ 10,837,890	9,264,696	9,171,540
Work in process	1,906,919	1,807,412	1,896,076
Raw materials	3,188,966	2,656,831	3,341,458
Supplies	759,818	793,883	493,469
Machinery and accessories in process	1,711,112	1,747,984	1,778,925
Others	35,992	425,882	317,478
Total	$ 18,440,697	16,696,688	16,998,946

(Continued)

Change of net realizable value of inventories

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2015	2016	2015	2016
Loss from devaluation of inventories	$ 252,414	64,707	214,392	-
Gain from recovery of inventories	-	-	-	(173,254)
Total	$ 252,414	64,707	214,392	(173,254)

The changes in net realizable value of the above inventories have been recognized as cost of goods sold.

(5) Investments Accounted For Using Equity Method

(a) The components of the investments accounted for using equity method were as follows:

	September 30, 2015	December 31, 2015	September 30, 2016
Associates			
Formosa Petrochemical Corporation	$ 71,391,111	75,919,673	79,255,962
Formosa Plastics Corp., U.S.A.	47,456,205	49,094,371	51,729,444
Formosa Heavy Industries Corp.	8,269,295	8,262,295	7,826,306
Sky Dragon Investment Limited	3,356,266	2,663,931	7,826,306
Mai Liao Power Corp.	11,249,821	11,324,458	10,891,479
Formosa Sumco Technology Corporation	5,819,821	5,848,130	5,758,609
Formosa Transportation Corp.	683,853	690,336	718,719
Formosa Fairway Corp.	79,292	81,091	78,247
Yi-Jih Development Corp.	62,422	62,526	62,684
Ya Tai Development Corp.	47,499	33,014	26,760
Formosa Automobile Corporation	-	-	-
Wha Ya Park Management Consulting Corporation Ltd.	2,263	1,861	1,948
Su-Hua Transportation Corporation	212,395	218,155	242,494
Formosa Environmental Technology Corporation	263,448	261,178	257,652
Formosa Resources Corporation	4,277,028	4,387,101	4,296,548
Formosa Group (Cayman) Limited	98,601	154,121	212,728
Formosa Group Investment (Cayman) Limited	15,864,917	15,817,802	-
Formosa Plastics Development Corporation Ltd.	11,499	10,662	92,818
Formosa Olefins, L.L.C.	-	3,126,418	2,915,860
Joint ventures			
Formosa Asahi Spandex Co., Ltd.	1,331,754	1,365,900	1,312,752
Formosa Daikin Advanced Chemical Co., Ltd.	825,981	831,620	861,845
Formosa Mitsui Advanced Chemical Co., Ltd.	123,554	119,839	103,129
	$ 171,427,025	180,274,482	168,128,284

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the three-month and nine-month periods ended September 30, 2015 and 2016, the Group's share of net income (loss) of associates and jointly controlled entities were as follows:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2015	2016	2015	2016
Associates				
Formosa Petrochemical Corporation	$ 2,594,959	4,760,061	9,932,732	15,057,825
Formosa Plastics Corp., U.S.A.	1,558,946	1,714,003	4,638,733	5,270,401
Formosa Heavy Industries Corp.	254,543	2,224	485,297	(57,929)
Sky Dragon Investment Limited	(691,708)	(245,928)	(1,285,813)	(1,024,979)
Mai Liao Power Corp.	605,026	373,183	1,508,577	1,072,615
Formosa Sumco Technology Corporation	120,331	38,446	331,249	148,352
Formosa Transportation Corp.	7,637	5,091	31,301	28,384
Formosa Fairway Corp.	2,047	935	3,883	(2,843)
Yi-Jih Development Corp.	69	51	213	159
Ya Tai Development Corp.	169	(2,835)	(1,556)	(6,255)
Formosa Automobile Corporation	12,305	(1,119)	44,148	17,342
Wha Ya Park Management Consulting Corporation Ltd.	53	30	150	86
Su-Hua Transportation Corporation	9,003	6,475	31,826	24,340
Formosa Environmental Technology Corporation	(1,294)	(1,356)	(3,905)	(3,526)
Formosa Resources Corporation	(28,686)	(34,397)	(82,160)	(90,553)
Formosa Group (Cayman) Limited	33,445	(57,950)	72,181	68,897
Formosa Group Investment (Cayman) Limited	(172,355)	-	(172,351)	-
Formosa Plastics Development Corporation Ltd.	(1,321)	(1,065)	(3,061)	(2,844)
Formosa Ha Tinh (Cayman) Limited	-	-	(364,845)	-
Joint ventures				
Formosa Asahi Spandex Co., Ltd.	47,780	32,630	139,537	112,265
Formosa Daikin Advanced Chemical Co., Ltd.	10,026	32,095	26,679	57,130
Formosa Mitsui Advanced Chemical Co., Ltd.	2,648	(2,058)	(547)	(7,793)
	$ 4,363,623	**6,618,516**	**15,332,248**	**20,661,074**

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(b) Associates

(i) The information of the major associate of the investments accounted for using the equity method was as follows:

Associates	Relationship	Registration Country	Percentage of ownership September 30, 2015	December 31, 2105	September 30, 2016
Formosa Petrochemical Corporation	Formosa Petrochemical Corporation , the main supplier of raw materials for the Company, has principal activities that consists of petroleum refining and integrated manufacture of hydrocarbon	Taiwan	28.79%	28.56%	28.56%

The fair value of investments in publicly traded stocks of the major associate was as follows:

	September 30, 2015	December 31, 2015	September 30, 2016
Formosa Petrochemical Corporation	$ 214,741,587	214,379,262	256,275,717

The aggregated financial information of the major associate was as follows:

The financial information of Formosa Petrochemical Corporation was as follows:

	September 30, 2015	December 31, 2015	September 30, 2016
Current assets	$ 213,600,459	230,637,376	240,202,278
Non-current assets	201,121,438	194,830,098	175,748,734
Current liabilities	(59,524,006)	(58,763,026)	(56,302,260)
Non-current liabilities	(106,472,217)	(99,980,734)	(81,004,323)
Net asset	$ 248,725,674	266,723,714	278,611,219
Net asset contributed to non-controlling interest of Formosa Petrochemical Corporation	$ 34,662	34,688	33,210
Net asset contributed to Formosa Petrochemical Corporation	$ 248,691,012	266,689,026	278,611,219

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	For the three-month periods ended September 30, 2015	For the three-month periods ended September 30, 2016	For the nine-month periods ended September 30, 2015	For the nine-month periods ended September 30, 2016
Revenue	$ 140,207,369	128,451,229	479,217,566	393,874,901
Net income	$ 8,966,726	16,686,479	34,781,503	52,968,128
Other comprehensive income	(8,240,100)	(480,348)	(17,730,581)	(2,939,132)
Total comprehensive income	$ 726,626	16,206,131	17,050,922	50,028,996
Income allocated to non-controlling interest of Formosa Petrochemical Corporation	$ 1,524	1,184	3,758	2,964
Income allocated to Formosa Petrochemical Corporation	$ 725,102	16,204,947	17,047,164	50,026,032

	For the nine-month periods ended September 30, 2015	For the nine-month periods ended September 30, 2016
Beginning balance of investment in associate at January 1,	$ 68,855,649	75,919,673
Total comprehensive income allocated to the Group	4,828,036	14,218,485
Dividend Received	(2,331,167)	(10,882,196)
Total carrying amount of equity of the major associate	71,352,518	79,255,962
Difference in capital surplus from changes in holding proportion due to non-acquisition of newly-issued shares	38,593	-
Total carrying amount of equity of the major associate	$ 71,391,111	79,255,962

(ii) The financial information of the minor associates of the investments accounted for using equity method was as follows:

	September 30, 2015	December 31, 2015	September 30, 2016
Total carrying amount of equity of the minor associates	$ 97,754,625	102,037,450	86,594,596

	For the three-month periods ended September 30, 2015	For the three-month periods ended September 30, 2016	For the nine-month periods ended September 30, 2015	For the nine-month periods ended September 30, 2016
Attributable to the parent				
Net income	$ 1,708,210	1,795,788	5,233,847	5,441,647
Other comprehensive income	3,710,307	(1,078,481)	2,630,666	(2,039,591)
Total comprehensive income	$ 5,418,517	717,307	7,864,513	3,402,056

(Continued)

(c) Joint ventures

The financial information of the minor joint ventures of the investments accounted for using equity method was as follows:

	September 30, 2015	December 31, 2015	September 30, 2016
Total carrying amount of equity of the minor joint ventures	$ 2,281,289	2,317,359	2,277,726

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2015	2016	2015	2016
Attributable to the parent				
Net income	$ 60,454	62,667	165,669	161,602
Other comprehensive income	2,995	-	567	-
Total comprehensive income	$ 63,449	62,667	166,236	161,602

(d) The Group, which invested in "Formosa Automobile Corporation" (an investee accounted for using the equity method) recognized the gains of $12,305, $(1,119), $44,148 and $17,342 from this investment for the three-month and nine-month periods ended September 30, 2015 and 2016, respectively. As of September 30 and December 31, 2015, and September 30, 2016, the Group's cumulative losses from this investment had already exceeded the book value of the investment by $78,825, $82,335 and $64,993, respectively.

As the Group intends to support this investee company, the investments in this investee were offset against the related the accounts receivable—related parties. Since there were no accounts receivable—related parties from "Formosa Automobile Corporation" as of September 30 and December 31, 2015, and September 30, 2016, such offset resulted in the credit balances to the investments in this investee of $78,825, $82,335 and $64,993, respectively, which were reclassified to other liabilities.

(e) On January 13, 2016, Formosa Group Investment (Cayman) Limited, originally owned by the Company, underwent liquidation. The ownership of Formosa Ha Tinh (Cayman) Limited was transferred to Formosa Plastics International (Cayman) Limited as consideration of the acquisition of newly issued common stock by Formosa Plastics International (Cayman) Limited. On January 29, 2016, the cash capital increased brought in external stockholders to Formosa Ha Tinh (Cayman) Limited, decreasing the ownership of the Group to 11.43% and resulting in a lack of significant influence; therefore, the securities were reclassified to financial assets carried at cost－non-current as of September 30, 2016.

(f) On April 20, 2016, the Company participated in the capital increase by cash of Formosa Industries Corporation, the total investment amounted to US$50,000 thousand (equivalent to NT$1,614,250 thousand).

(g) On April 26, 2016, the Group participated in the capital increase by cash of Formosa Plastics Development Corporation Ltd., the total investment amounted to $85,000 thousand.

(h) Collaterals

Please refer to Note 8 for investments accounted for using equity method which were pledged to banks as collateral to secure the Company's bank loans as of September 30, and December 31, 2015 and September 30, 2016.

(6) Property, Plant and Equipment

The cost and depreciation of the property, plant and equipment of the Group as of and for the nine-month periods ended September 30, 2015 and 2016：

		Land	Building	Machinery and equipment	Other facilities	Construction in progress	Total
Cost:							
Balance as of January 1, 2015	$	6,679,420	25,987,137	154,812,660	5,986,397	22,272,129	215,737,743
Additions		6,830	5,074	76,335	128,890	2,634,718	2,851,847
Disposals		(1,954)	(3,121)	(269,568)	(49,140)	-	(323,783)
Reclassification		-	27,909	6,234,495	81,948	(6,958,817)	(614,465)
Effect of exchange rate change		-	984,212	138,016	6,673	85,851	1,214,752
Balance as of September 30, 2015	**$**	**6,684,296**	**27,001,211**	**160,991,938**	**6,154,768**	**18,033,881**	**218,866,094**
Balance as of January 1, 2016	$	6,684,296	27,117,013	166,112,089	6,144,528	14,223,054	220,280,980
Additions		25,704	-	123,237	100,253	2,073,862	2,323,056
Disposals		(14)	-	(427,825)	(172,840)	-	(600,679)
Reclassification		-	13,763	9,273,501	182,477	(10,421,365)	(951,624)
Effect of exchange rate change		-	615,537	(2,955,658)	(113,621)	(754,379)	(3,208,121)
Balance as of September 30, 2016	**$**	**6,709,986**	**27,746,313**	**172,125,344**	**6,140,797**	**5,121,172**	**217,843,612**
Accumulated depreciation:							
Balance as of January 1, 2015	$	-	12,178,285	115,117,081	4,444,750	-	131,740,116
Depreciation for the period		-	675,394	4,827,096	242,301	-	5,744,791
Disposals		-	(3,121)	(251,888)	(46,449)	-	(301,458)
Reclassification		-	-	(33)	434	-	401
Effect of exchange rate change		-	7,839	82,366	5,084	-	95,289
Balance as of September 30, 2015	**$**	**-**	**12,858,397**	**119,774,622**	**4,646,120**	**-**	**137,279,139**
Balance as of January 1, 2016	$	-	13,057,942	121,074,584	4,687,125	-	138,819,651
Depreciation for the period		-	702,527	5,352,643	240,295	-	6,295,465
Disposals		-	-	(426,236)	(169,832)	-	(596,068)
Reclassification		-	-	1,734	(951)	-	783
Effect of exchange rate change		-	(113,675)	(1,197,283)	(73,067)	-	(1,384,025)
Balance as of September 30, 2016	**$**	**-**	**13,646,794**	**124,805,442**	**4,683,570**	**-**	**143,135,806**
Carrying amounts:							
Balance as of September 30, 2015	**$**	**6,684,296**	**14,142,814**	**41,217,316**	**1,508,648**	**18,033,881**	**81,586,955**
Balance as of December 31, 2015	**$**	**6,684,296**	**14,059,071**	**45,037,505**	**1,457,403**	**14,223,054**	**81,461,329**
Balance as of September 30, 2016	**$**	**6,709,986**	**14,099,519**	**47,319,902**	**1,457,227**	**5,121,172**	**74,707,806**

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(a) As of September 30, and December 31, 2015 and September 30, 2016, the Group's parcels of land with title temporarily registered under the names of third parties for trust purpose had carrying value of $33,960, $33,960, and $33,946, respectively, which were recorded under property, plant and equipment. The Group has implemented a deed of trust with the authorities to secure the Group's rights related to the abovementioned properties.

(b) Please refer to Note 6 (17) for further information about the capitalized interest on borrowings for the purchase of the property, plant and equipment and gain (loss) on disposal of property, plant and equipment.

(c) Collaterals

The property, plant and equipment pledged to secure bank loans as of September 30, and December 31, 2015 and September 30, 2016 are described in Note 8.

(7) Short-term Borrowings

(a) Short-term borrowings consisted of the following:

		September 30, 2015	December 31, 2015	September 30, 2016
Unsecured short-term borrowings	$	16,347,292	11,985,013	18,396,863
Secured short-term borrowings		1,000,000	-	-
Employees' savings		399,319	414,640	221,607
Total	**$**	**17,746,611**	**12,399,653**	**18,618,470**
Interest rate		**0.681%~4.600%**	**0.818%~4.600%**	**0.900%~4.133%**

(b) Issuance and redemption of loans

		For the nine-month periods ended September 30, 2015	2016
Balance as of January 1,	$	13,767,560	12,399,653
New issuance during the period		92,682,689	152,246,901
Repayments during the period		(88,707,880)	(146,026,273)
Effect of exchange rate change		4,242	(1,811)
Balance as of September 30	$	**17,746,611**	**18,618,470**
Interest Rate		**0.681%~4.600%**	**0.900%~4.133%**

(c) The assets pledged to secure loans are described in Note 8.

(Continued)

(8) Short-term Notes and Bills Payable

The Group has no outstanding short-term notes and bills payable as of September 30 and December 31, 2015.

	September 30, 2016		
	Institutions	**Interest rate**	**Amount**
Short-term notes and bills payable	Grand Bills Finance Corporation	0.320%	$ 1,000,000
Short-term notes and bills payable	China Bills Finance Corporation	0.320%	500,000
Short-term notes and bills payable	Dah Chung Finance Corporation	0.310%	500,000
Short-term notes and bills payable	Union Bank of Taiwan Co., Ltd.	0.320%	500,000
Short-term notes and bills payable	Mega Bills Finance Co., Ltd.	0.320%	2,000,000
Short-term notes and bills payable	CTBC Bank Co., Ltd	0.310%	2,000,000
Short-term notes and bills payable	Taipeifubon Commercial Bank Co., Ltd.	0.320%	500,000
			7,500,000
Less: Discount on short-term notes and bills payable			(390)
Total			$ 7,499,610

(9) Long-term Loans

(a) Long-term loans consisted of the following:

	September 30, 2015	**December 31, 2015**	**September 30, 2016**
Unsecured bank loans	$ 15,746,667	9,447,666	11,441,814
Secured bank loans	10,275,991	10,277,132	10,280,552
Less: Current portion of long-term loans	(3,630,090)	(1,627,254)	(5,429,028)
Total	$ 22,392,568	18,097,544	16,293,338
Repayment period	2015~2021	2016~2021	2017~2021
Interest rate	1.184%~2.280%	1.184%~1.670%	1.779%~2.040%

(b) Issuance and redemption of loans

	For the nine-month periods ended September 30,	
	2015	**2016**
Balance as of January 1,	$ 28,460,640	19,724,798
New issuance during the period	4,010,000	3,800,000
Repayments during the period	(7,304,287)	(1,331,877)
Effect of exchange rate change	856,305	(470,555)
Balance as of September 30,	$ 26,022,658	21,722,366
Interest Rate	1.184%~2.280%	1.779%~2.040%

(Continued)

(c) Secured bank loans

In order to raise funds to build the plant and accessory equipment, the Group signed a syndicated loan agreement with Bank of Taiwan, the lead bank of the syndicated loan, and 19 other banks on November 14, 2013. As of September 30, 2016, the details of the loan agreement are as follows:

I. Credit line: $10,300,000.

II. Interest rate: as settled with each participating bank.

III. Period: 7 years (including a 3 years extension).

IV. Collateral: the land at Sixth Naphtha Cracker pledged for 120 percent of the credit line financed by the loan.

V. The financial covenants under the loan agreement include the requirement to maintain certain financial ratios based on the audited consolidated financial reports. If the Company breaches these financial covenants, the syndicated banks may determine to declare the unpaid principal, interest, fees and other sums payable by the Company under the loan agreement to be immediately due and payable. These financial ratios are as follows:

① Current Ratio (total current assets divided by total current liabilities): not lower than 100%.

② Leverage Ratio (total liabilities plus contingent liabilities to tangible net worth): not higher than 150%

VI. As of September 30, 2016, NT$10,300,000 of the credit line had been used.

(d) The assets pledged to secure loans are described in Note 8.

(10) Bonds Payable

	September 30, 2015	**December 31, 2015**	**September 30, 2016**
Domestic unsecured nonconvertible corporate bonds	$ 56,923,823	51,938,331	43,404,265
Less: current portion	(13,536,885)	(14,635,089)	(14,641,348)
Total	**$ 43,393,938**	**37,303,242**	**28,762,917**
Expiry	**2015~2026**	**2016~2026**	**2016~2026**

(Continued)

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	The first domestic unsecured nonconvertible corporate bond in 2011	The second domestic unsecured nonconvertible corporate bond in 2011	The first domestic unsecured nonconvertible corporate bond in 2012	The second domestic unsecured nonconvertible corporate bond in 2012
Issue amount	$6,000,000	$4,000,000	$7,000,000	$5,000,000
2015.9.30Ending balance	5,996,325	3,997,418	6,994,218	4,995,014
2015.9.30Current portion	2,998,162	1,998,709	2,497,935	1,048,952
2015.12.31Ending balance	2,997,143	1,997,952	6,995,100	4,995,646
2015.12.31Current portion	2,997,143	1,997,952	2,498,250	1,049,085
2016.9.30Ending balance	2,999,490	1,999,495	4,496,910	3,947,022
2016.9.30Current portion	2,999,490	1,999,495	2,498,455	1,048,511
Issuance date	November 16, 2011	December 15, 2011	May 22, 2012	September 12, 2012
Coupon rate	1.34%	1.35%	1.26%、1.42%	1.28%、1.40%
Interest payment date	November 16	December 15	May 22	September 12
Repayment method	Payable in 2 equal installments for each different coupon rate in 2015 and 2016, respectively.	Payable in 2 equal installments for each different coupon rate in 2015 and 2016, respectively.	Payable in 2 equal installments for each different coupon rate in 2016~2017 and 2018~2019, respectively.	Payable in 2 equal installments for each different coupon rate in 2016~2017 and 2018~2019., respectively.

	The third domestic unsecured nonconvertible corporate bond in 2012	The first domestic unsecured nonconvertible corporate bond in 2013	The second domestic unsecured nonconvertible corporate bond in 2013	The first domestic unsecured nonconvertible corporate bond in 2014
Issue amount	$9,000,000	$11,500,000	$8,500,000	$6,000,000
2015.9.30Ending balance	8,989,747	11,484,188	8,485,544	5,988,369
2015.9.30Current portion	-	4,993,127	-	-
2015.12.31Ending balance	8,990,969	11,485,656	8,486,698	5,989,167
2015.12.31Current portion	1,098,896	4,993,763	-	-
2016.9.30Ending balance	8,993,167	6,488,638	8,489,028	5,990,515
2016.9.30Current portion	1,098,048	4,997,349	-	-
Issuance date	November 5, 2012	June 10, 2013	November 8, 2013	May 21, 2014
Coupon rate	1.25%、1.39%、1.53%	1.23%、1.52%	1.42%、1.94%	1.83%、1.92%
Interest payment date	November 5	June 10	November 8	May 21
Repayment method	Payable in 3 equal installments for each different coupon rate in 2016~2017, 2018~2019 and 2021~2022, respectively.	Payable in 2 equal installments for each different coupon rate in 2016~2017 and 2022~2023, respectively.	Payable in 2 equal installments for each different coupon rate in 2017~2018 and 2022~2023, respectively.	Payable in 2 equal installments for each different coupon rate in 2023~2024 and 2025~2026, respectively.

(Continued)

(11) Employee Benefits

(a) Defined benefit plan

Subsequent to December 31, 2015, there is apparently no evidence of any material market volatility, material curtailment, reimbursement and settlement or other material one-time events. Therefore, pension cost in the consolidated financial statements is measured and disclosed according to the respective actuarial report for the years ended December 31, 2014 and 2015.

The Group's pension costs recognized in profit or loss were as follows:

	For the three-month periods ended June 30,		For the nine-month periods ended September 30,	
	2015	2016	2015	2016
Operating cost	$ 42,339	37,993	127,595	112,061
Selling expenses	$ 1,738	2,074	5,082	6,071
Administrative expenses	$ 25,633	19,566	76,452	60,763

(b) Defined contribution plan

The Group's pension costs recognized in profit or loss were as follows:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2015	2016	2015	2016
Operating cost	$ 41,091	43,709	121,216	129,706
Selling expenses	$ 2,019	2,077	5,866	6,206
Administrative expenses	$ 23,092	21,943	68,769	66,882

(12) Income Tax

(a) The details of income tax expense for the nine-month periods ended September 30, 2015 and 2016 were as follows:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2015	2016	2015	2016
Current income tax expense	$ 781,595	(26,528)	2,063,328	1,395,467
Deferred tax expense	433,631	759,671	1,328,370	1,703,584
Income tax expense	$ 1,215,226	733,143	3,391,698	3,099,051

(Continued)

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(b) The income tax expense related to components of other comprehensive income for the nine-month periods ended September 30, 2015 and 2016 was as follows:

	For the three-month periods ended September 30, 2015	For the three-month periods ended September 30, 2016	For the nine-month periods ended September 30, 2015	For the nine-month periods ended September 30, 2016
Items that could be reclassified subsequently to profit:				
Exchange differences on translation of foreign financial statements	$ (833,342)	434,138	(584,455)	790,599

(c) Examination and approval

The Company’s income tax returns have been examined by the ROC tax authority through 2013.

(d) Information related to the accumulated deficit and imputation credit account (ICA) and creditable ratio were as follows:

	September 30, 2015	December 31, 2015	September30, 2016
Undistributed earnings in 1997 and prior years	$ 432,111	432,111	432,111
Undistributed earnings in 1998 and thereafter	53,419,200	58,372,020	56,689,959
	$ 53,851,311	58,804,131	57,122,070
Imputation credit account	$ 2,846,401	2,877,332	3,808,911

	2014 (actual)	2015 (actual)
Tax deduction ratio for earnings distribution to ROC residents	9.81%	12.21%

Under the information for integrated income tax, the above imputation credit account and creditable ratio were calculated according to the formal interpretation No.10204562810 issued by Taxation Administration, Ministry of Finance, R.O.C. on October 17, 2013.

(Continued)

(13) Equity

Except as described below, there was no material change in equity for the nine-month periods ended September 30, 2015 and 2016. Please refer to Note 6(13) of the consolidated financial statements as of and for the year ended December 31, 2015 for the related detail disclosures on equity.

(a) Capital surplus

The components of capital surplus were as follows:

	September 30, 2015	**December 31, 2015**	**September30, 2016**
Paid-in capital in excess of par value	$ 8,130,081	8,130,081	8,130,081
Overdue unpaid directors’ remuneration and dividends	83,131	83,121	83,060
Paid in capital in excess of the par value derived from overseas corporate bond conversion	2,997,503	2,997,503	2,997,503
Treasury stock transactions	16,263	16,263	16,263
Equity in capital surplus of investee companies	216,747	216,747	216,747
	$ 11,443,725	11,443,715	11,443,654

(b) Retained earnings

In accordance with the Company’s articles of incorporation, the Company’s annual earnings after providing for income tax are appropriated and distributed as follows:

- Cover prior year’s accumulated deficit, if any;
- Of the remaining balance, if any, 10% is set aside as legal reserve;
- Of the remaining balance, if any, certain amount is set aside as special reserve and as common stockholders’ dividends;
- The remainder, together with accumulated earnings from prior year, is reported to the board of directors for purposes of making a plan for the distribution of cash dividend and/or stock dividend and bonuses for stockholders, directors, and supervisors.

(Continued)

In accordance with the amended Company Act which was published in May 2015, employee bonuses are no longer a part of the composition of appropriation and distribution of earnings. For this reason, the Company will amend the articles of incorporation accordingly within the period prescribed by the authority.

(i) Special reserve

As the Company opted to avail of the exemptions allowed under IFRS 1 “First-time Adoption of International Financial Reporting Standards” during the Company’s first-time adoption of the IFRS as endorsed by the FSC, unrealized revaluation increments and cumulative translation adjustments (gains) of $2,790,507, which were previously recognized in shareholders’ equity were reclassified to retained earnings. In accordance with Regulatory Permit No. 1010012865 as issued by the FSC on April 6, 2012, a special reserve is appropriated from retained earnings for aforementioned reclassification. In addition, during the use, disposal or reclassifications of relevant assets, this special reserve is reverted to distributable earnings proportionately. The carrying amount of special reserve amounted to $2,790,507 as of September 30, and December 31, 2015 and September 30, 2016.

Pursuant to the Regulatory Permit mentioned above, the Company is also required to set aside an additional special reserve, as part of the distribution of its annual earnings, equal to the difference between the amount of above-mentioned special reserve and net debit balance of the other components of stockholders’ equity.

(ii) Earnings distribution

The appropriations of earnings in 2015 were approved in the stockholders’ meeting on June 17, 2016, and the appropriations in 2014 earnings were approved in the stockholders’ meeting on June 25, 2015, respectively. The amounts of appropriation of dividends per share were as follows:

	2014		2015	
	Dividends per share	**Amount**	**Dividends per share**	**Amount**
Dividends attributable to ordinary shareholders:				
Cash dividends	**$ 1.70**	**10,821,759**	**3.60**	**22,916,667**

(Continued)

(c) Other equity

		Exchange differences on translation of foreign operations	Unrealized gains (losses) on available-for-sale financial assets	Cash flow hedge
Balance at January 1, 2015	$	5,416,784	76,317,462	(3,096)
Exchange differences on translation of foreign operations, net of tax				
-the Group		2,035,783	-	-
-associates		243,456	-	-
Unrealized gains (losses) on available-for-sale financial assets				
-the Group		-	(24,291,149)	-
-associates		-	(5,234,174)	24,113
Balance at September 30, 2015	$	7,696,023	46,792,139	21,017
Balance at January 1, 2016	$	7,182,538	57,419,371	82,276
Exchange differences on translation of foreign operations, net of tax				
-the Group		(5,357,603)	-	-
-associates		(280,026)	-	-
Unrealized gains (losses) on available-for-sale financial assets				
-the Group		-	265,951	-
-associates		-	(540,614)	(46,619)
Balance at September 30, 2016	$	1,544,909	57,144,708	35,657

(14) Earnings Per Share

The basic earnings per share were calculated as follows:

		For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
		2015	2016	2015	2016
Net income attributable to the Group	$	10,530,079	11,395,381	25,034,871	27,336,741
Weighted-average number of ordinary shares outstanding (basic)		6,365,741	6,365,741	6,365,741	6,365,741
Basic earnings per share (dollars)	$	1.65	1.79	3.93	4.29

(Continued)

(15) Revenue

For the three-month and nine-month periods ended September 30, 2015 and 2016, the Group's details of revenue were as follows:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2015	**2016**	**2015**	**2016**
Sale of goods	$ 46,283,160	41,516,822	143,685,339	127,774,919
Construction revenue	203,240	206,027	614,275	738,444
Others	508,829	421,847	1,400,092	1,212,736
Total	**$ 46,995,229**	**42,144,696**	**145,699,706**	**129,726,099**

(16) Employee Compensations

According to the Company's articles, 0.05%~0.5% of the Company's profit, excluding employee compensations, and after being appropriated to offset accumulated deficits, if any, should be distributed as employee compensations.

For the three-month and nine-month periods ended September 30, 2015 and 2016, the appropriated employee compensations amounted to $8,511, $11,644, $25,534, and $34,931, respectively. These amounts were calculated based on the Company's articles of incorporation and the net profit before tax after deducting employee compensations, and was recognized under operating costs and operating expenses.

The employee compensations amounted to $49,507 thousand, which were consistent with the actual distributions. Related information can be accessed from the Market Observation Post System website.

(17) Non-operating Income and Expenses

(a) Other income

For the three-month and nine-month periods ended September 30, 2015 and 2016, the components of other income were as follows:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2015	**2016**	**2015**	**2016**
Interest income	$ 119,971	92,041	279,719	247,812
Rental income	26,151	40,394	82,794	110,964
Dividends income	3,157,778	4,770,186	3,157,778	4,771,936
	$ 3,303,900	**4,902,621**	**3,520,291**	**5,130,712**

(Continued)

(b) Other gains and losses

For the three-month and nine-month periods ended September 30, 2015 and 2016, the components of other gains and losses were as follows:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2015	2016	2015	2016
Gain (loss) on disposal of property, plant and equipment	$ (2,544)	(553)	7,173	(140)
Gain on disposal of investments	842	-	160,655	-
Foreign exchange gain (loss), net	1,562,994	(783,540)	964,754	(1,950,747)
Other gains	197,785	140,104	774,026	448,817
Other losses	(125,773)	(105,956)	(415,836)	(398,936)
	$ 1,633,304	(749,945)	1,490,772	(1,901,006)

(c) Finance expenses

The Group’s details of finance expenses were as follows:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2015	2016	2015	2016
Interest expense	$ 606,365	355,473	1,427,997	1,063,221
Less: capitalized interest	(279,376)	(4,860)	(406,277)	(56,551)
	$ 326,989	350,613	1,021,720	1,006,670
Capitalized interest rate	1.35%~3.49%	1.3%~3.045%	1.33%~3.92%	0.88%~3.045%

(18) Financial Instruments

Except as described below, there was no material change with regard to the fair value and exposure risks of credit risk, liquidity risk and market risk on financial instruments. Please refer to Note 6(18) of the consolidated financial statements as of and for the year ended December 31, 2015 for the related detail disclosures on financial instruments.

(Continued)

(a) Currency risk

(i) Exposure to currency risk

The Group's significant exposure to foreign currency risk was as follows:

	September 30, 2015			December 31, 2015			September 30, 2016		
	Foreign currency (in thousands)	Exchange rate	New Taiwan Dollars	Foreign currency (in thousands)	Exchange rate	New Taiwan Dollars	Foreign currency (in thousands)	Exchange rate	New Taiwan Dollars
Financial assets:									
Monetary items									
USD	$ 1,074,332	33.1280	35,590,470	795,960	33.0660	26,319,213	554,084	31.3660	17,379,399
EUR	429	36.8674	15,816	274	36.0384	9,875	351	35.2519	12,373
JPY	4,629	0.2752	1,274	172,032	0.2736	47,068	198,290	0.3109	61,648
Financial liabilities									
Monetary items									
USD	446,658	33.1280	14,796,886	363,433	33.0660	12,017,276	446,808	31.3660	14,014,580
EUR	88	36.8674	3,244	435	36.0384	15,677	8	35.2519	282
JPY	99,686	0.2752	27,434	141,594	0.2736	38,740	121,923	0.3109	37,906
SGD	1	23.1668	23	-	-	-			
GBP	2	50.015	100	-	-	-	8	40.737	326
CHF	289	33.9852	9,822	-	-	-	258	32.5116	8,388
CAD	80	24.5977	1,968	-	-	-	-	-	-

(ii) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the foreign currency exchange fluctuations on cash and cash equivalents, accounts receivable, other receivables, loans and borrowings, accounts payable and other payables which are denominated in different foreign currencies. A 1% depreciation of the TWD against the USD, EUR, JPY, SGD, GBP, CHF and CAD as of September 30, 2015 and 2016 would have increased the net income after tax by $207,681 and $33,920 for the nine-month periods ended September 30, 2015 and 2016, respectively. This analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases. The management believes that the analysis is performed on the same basis.

Because there are a variety of functional currencies, the Group discloses a summary of its information on exchange gain or loss. The realized and unrealized exchange loss amounted to $964,754 and $(1,950,747) for the nine-month periods ended September 30, 2015 and 2016, respectively.

(Continued)

(b) Fair value

(i) Type and fair value of financial instruments

The Group's financial assets and liabilities are listed as follows: (including (1) the information on the levels in fair value hierarchy, wherein, disclosures are not required for financial instruments not measured at fair value with a carrying value approximating its fair value; and (2) those equity investments in which the fair value cannot be reliably measured and without any quoted price in the open market)

	September 30, 2015				
		Fair value			
	Carrying value	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets					
Listed stocks	$ 70,245,868	70,245,868	-	-	70,245,868
Loans and receivables					
Cash and cash equivalents	26,810,124	-	-	-	-
Notes and accounts receivable (including related parties)	12,671,144	-	-	-	-
Other receivables (including related parties)	21,229,022	-	-	-	-
Subtotal	60,710,290	-	-	-	-
Total	$ 130,956,158	70,245,868	-	-	70,245,868
Financial liabilities measured at amortized cost					
Bonds payable	$ 56,930,823	-	-	-	-
Short-term loans	17,746,611	-	-	-	-
Long-term loans (including current portion)	26,022,658	-	-	-	-
Loans from related parties	1,599,424	-	-	-	-
Notes and accounts payable (including related parties)	8,291,185	-	-	-	-
Other payables (including related parties)	6,212,652	-	-	-	-
Total	$ 116,803,353	-	-	-	-

	December 31, 2015				
		Fair value			
	Carrying value	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets					
Listed stocks	$ 79,288,300	79,288,300	-	-	79,288,300
Loans and receivables					
Cash and cash equivalents	19,756,722	-	-	-	-
Notes and accounts receivable (including related parties)	11,400,471	-	-	-	-
Other receivables (including related parties)	17,211,726	-	-	-	-
Subtotal	48,368,919	-	-	-	-
Total	$ 127,657,219	79,288,300	-	-	79,288,300

(Continued)

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	December 31, 2015				
		Fair value			
	Carrying value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Bonds payable	$ 51,938,331	-	-	-	-
Short-term loans	12,399,653	-	-	-	-
Long-term loans (including current portion)	19,724,798	-	-	-	-
Loans from related parties	1,441,663	-	-	-	-
Notes and accounts payable (including related parties)	10,994,474	-	-	-	-
Other payables (including related parties)	6,326,942	-	-	-	-
Total	$ 102,825,861	-	-	-	-

	September 30, 2016				
		Fair value			
	Carrying value	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets					
Listed stocks	$ 79,748,100	79,748,100	-	-	79,748,100
Private fund	4,724,401	-	4,724,401	-	4,724,401
Subtotal	84,472,501	79,748,100	4,724,401	-	84,472,501
Loans and receivables					
Cash and cash equivalents	16,223,800	-	-	-	-
Notes and accounts receivable (including related parties)	10,261,600	-	-	-	-
Other receivables (including related parties)	19,525,120	-	-	-	-
Subtotal	46,010,520	-	-	-	-
Total	$ 130,483,021	79,748,100	4,724,401	-	84,472,501
Financial liabilities measured at amortized cost					
Bonds payable	$ 43,404,265	-	-	-	-
Short-term notes and bills payable	7,499,610	-	-	-	-
Short-term loans	18,618,470	-	-	-	-
Long-term loans (including current portion)	21,722,366	-	-	-	-
Loans from related parties	533,222	-	-	-	-
Notes and accounts payable (including related parties)	7,398,633	-	-	-	-
Other payables (including related parties)	3,184,227	-	-	-	-
Total	$ 102,360,793	-	-	-	-

(Continued)

(ii) Fair value measurement of financial instruments unrecognized at fair value

The company estimates non-methodological tools to measure at fair value and assumptions used are as follows:

Financial liabilities measured at amortized cost.

Fair value measurement is based on the latest quoted price and agreed-upon price if these prices are available in an active market. When market value is unavailable, fair value of financial assets and liabilities are evaluated based on the discounted cash flow of the financial assets and liabilities.

(iii) Fair value measurement of financial instruments recognized at fair value

The fair value of the financial instruments traded in active markets is based on quoted market prices. The fair value of listed equity instruments is based on the market prices that were published at main stock exchanges.

If the financial instruments possessed by the Company have quoted market prices in active markets, the fair value was as follows:

The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes publicly traded stocks).

(iv) There was no transfer between the fair value hierarchy levels for the nine-month periods ended September 30, 2015 and 2016.

(19) Financial Risk Management

There were no material changes in financial risk management in comparison to Note 6(19) of the consolidated financial statements as of and for the year ended December 31, 2015.

(20) Capital Management

There were no material changes in capital management target adopted for capital management in comparison to Note 6(20) of the consolidated financial statements as of and for the year ended December 31, 2015.

(Continued)

7. Related-party Transactions

(1) Parent company and ultimate controlling party

The Company is the ultimate controlling party of the Group and its subsidiaries.

(2) Significant related-party transactions

(a) Sales to related parties

The Group's significant sales to related parties and the balance of accounts receivable were as follows:

	Sales				Accounts receivable－related parties		
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,				
	2015	2016	2015	2016	September 30, 2015	December 31, 2015	September 30, 2016
Associates	$ 2,373,590	1,804,280	7,463,216	6,433,822	1,393,241	1,106,025	751,853
Joint ventures	132,961	137,429	416,390	385,578	47,289	48,604	48,900
Other related parties	5,908,513	5,239,372	19,607,688	15,398,967	2,451,508	2,374,530	1,974,108
Total	$ 8,415,064	7,181,081	27,487,294	22,218,367	3,892,038	3,529,159	2,774,861

The selling prices and collection terms for the sales to related parties are not significantly different from those third-party customers, and receivables are collected on the 27th of the month following the month of sales. The terms of receivables from other foreign related parties are O/A 60 days or L/C at sight.

(b) Purchase from related parties

The Group's significant purchases from related parties and the balance of accounts payable were as follows:

	Purchases				Accounts payable－related parties		
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,				
	2015	2016	2015	2016	September 30, 2015	December 31, 2015	September 30, 2016
Associates	$ 12,549,514	16,209,652	58,877,123	52,673,455	5,984,207	6,436,431	4,955,068
Joint ventures	6,494	4,813	21,947	15,178	2,125	2,383	1,662
Other related parties	821,907	876,107	2,746,244	2,301,383	308,226	210,420	304,517
Total	$ 13,377,915	17,090,572	61,645,314	54,990,016	6,294,558	6,649,234	5,261,247

(Continued)

The purchase price and payment terms for the purchase from related parties are not significantly different from those with third-party vendors, and payables are paid on the 27th of the month following the month of purchase.

(c) Property plant and equipment

(i)

	Disposal proceeds of property plant and equipment for the three-month periods ended September 30,		Disposal proceeds of property plant and equipment for the nine-month periods ended September 30,		Other receivables–related parties		
	2015	2016	2015	2016	September 30, 2015	December 31, 2015	September 30, 2016
Joint ventures	$ -	-	-	18	-	-	-
Other related parties	-	-	-	64	-	180	-
	$ -	-	-	82	-	180	-

(ii)

	Purchase of property plant and equipment for the three-month periods ended September 30,		Purchase of property plant and equipment for the nine-month periods ended September 30,		Other payables–related parties		
	2015	2016	2015	2016	September 30, 2015	December 31, 2015	September 30, 2016
Associates	$ -	30	-	239	-	-	3
Other related parties	25,493	17,107	106,322	70,586	693	7,825	7,268
	$ 25,493	17,137	106,322	70,825	693	7,825	7,271

(iii) Acquisition of financial assets

The Group has no related transactions for the three-month periods ended September 30, 2015 and 2016.

	Financial Statement Account	Number of Shares (in thousands)	Transaction Shares	For the nine-month period ended September 30, 2015
Associates	Investments accounted for using equity method	75,000	Shares of stock of Sky Dragon Investment Limited	$ 2,349,150
	Investments accounted for using equity method	508,237	Shares of stock of Formosa Group Investment (Cayman) Limited	15,077,105
				$ 17,426,255

(Continued)

	Financial Statement Account	Number of Shares (in thousands)	Transaction Shares	For the nine-month period ended September 30, 2016
Associates	Investments accounted for using equity method	8,500	Shares of stock of Formosa Plastics Development Co., Ltd	$ 85,000
Other Related Parties	Financial asset carried at cost－non-current	508,237	Shares of stock of Formosa Group Investment (Cayman) Limited	16,084,840
				$ 16,169,840

(iv) Disposal of financial assets

The Group has no related transactions for the three-month periods ended September 30, 2015 and 2016.

	Financial Statement Account	Transaction Shares (in thousands)	Transaction Items	For the nine-month period ended September 30, 2015 Proceeds	Gains (Losses)
Associates	Investments accounted for using equity method	508,237	Shares of stock of Formosa Ha Tinh (Cayman) Limited	$ 15,817,802	-

	Financial Statement Account	Transaction Shares (in thousands)	Transaction Items	For the nine-month period ended June 30, 2016 Proceeds	Gains (Losses)
Associates	Investments accounted for using equity method	508,237	Shares of stock of Formosa Petrochemical Corporation	$ 15,077,105	-
Other Related Parties	Available-for-sale financial assets－current	3,821	Shares of stock of Nan Ya Technology Corp.	308,707	159,813
				$ 15,385,812	159,813

(d) Financing transactions

The Group's significant financing transactions with related parties were as follows:

	Due from related parties (recognized as other receivables–related parties) September 30, 2015	December 31, 2015	September 30, 2016
Associates	$ 3,544,000	689,000	8,941,750
Joint ventures	46,870	45,829	42,274
Other related parties	9,357,728	8,464,352	8,334,899
	$ 12,948,598	9,199,181	17,318,923

(Continued)

As of September 30, and December 31, 2015 and September 30, 2016, the interest revenue from the abovementioned transactions amounted to $17,713, $13,291 and $19,628, respectively, which was recognized as other receivables–related parties.

	Due from related parties (recognized as other payables–related parties)		
	September 30, 2015	**December 31, 2015**	**September 30, 2016**
Other related parties	$ 1,599,424	1,441,663	533,222

As of September 30, and December 31, 2015 and September 30, 2016, the interest expense from the abovementioned transactions amounted to $2,021, $ 2,446 and $ 3,090 respectively, which was recognized as accrued expenses.

(e) Endorsements and guarantees

(i) The Group's endorsements guarantees to secure related parties' loans were as follows:

	September 30, 2015	**December 31, 2015**	**September 30, 2016**
Associates	$ 39,049,630	42,696,473	34,620,223
Other related parties	-	-	7,530,098
	$ 39,049,630	42,696,473	42,150,321

(ii) The amounts of commitment letters for related parties that the Group had issued to financial institutions were as follows (expressed in thousands):

	September 30, 2015		**December 31, 2015**		**September 30, 2016**	
	USD	**CNY**	**USD**	**CNY**	**USD**	**CNY**
Associates	$ 1,054,000	1,130,000	1,054,000	1,130,000	1,020,400	-

(f) Other significant transactions

(i) The Group's income received from related parties, such as sewage treatment income, wharf usage income and utility and steam income were as follows:

	Other receivables–related parties		
	September 30, 2015	**December 31, 2015**	**September 30, 2016**
Other related parties	**$ 104,481**	**17**	**22,595**

(ii) The Group's expenses paid to related parties, such as sewage treatment expense, wharf usage expense, utility and steam expenses, transportation expense and restoration expense were as follows:

	Other payables–related parties		
	September 30, 2015	**December 31, 2015**	**September 30, 2016**
Associates	$ 1,103,728	1,017,859	702,879
Other related parties	305,569	334,483	242,511
	$ 1,409,297	**1,352,342**	**945,390**

(g) Receivables from payment on behalf of related parties

(i) The Group paid for construction design service fees on behalf of related parties as follows:

	Other receivables–related parties		
	September 30, 2015	**December 31, 2015**	**September 30, 2016**
Associates	$ 6,936,989	6,602,827	576,105
Other related parties	-	-	964,881
	$ 6,936,989	**6,602,827**	**1,540,986**

(ii) The Group paid the down payments on behalf of related parties as follows:

	Prepayments (classified under other assets)		
	September 30, 2015	**December 31, 2015**	**September 30, 2016**
Associates	$ 485,859	296,866	-
Other related parties	-	-	3,962
	$ 485,859	**296,866**	**3,962**

(Continued)

(h) Rental (recognized as other income)

The Group leases its office and building to related parties, and derived rental income thereon as follows:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2015	2016	2015	2016
Associates	$ 10,022	24,771	30,067	59,457
Joint ventures	1,791	2,041	5,375	6,875
Other related parties	12,817	9,623	33,071	28,769
	$ 24,630	36,435	68,513	95,101

(3) Compensation of key management

The compensation to key management was as follows:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2015	2016	2015	2016
Short-term employee benefits	$ 12,776	15,683	39,255	45,910

8. Pledged Properties

The Group's assets pledged to secure loans are as follows:

Classification of assets	Nature of Pledged Assets	September 30,2015	December 31, 2015	September 30, 2016
Fixed assets	Property plant and equipment	$ 2,799,459	2,687,219	1,976,798
Refundable deposits	Certificate of deposit	34,637	34,637	34,648
Investments accounted for using equity method	Stocks of Formosa Petrochemical Corp.	7,809,280	8,371,804	8,739,702
		$ 10,643,376	11,093,660	10,751,148

9. Commitments and Contingencies

(a) The amounts of endorsements and guarantees for related parties were as follows:

	September 30, 2015	December 31, 2015	September 30, 2016
Endorsements and guarantees	$ 39,049,630	42,696,473	42,150,321

(Continued)

(b) The amount of unused outstanding letters of credit for the importation of raw materials for related parties were as follows:

	September 30, 2015	December 31, 2015	September 30, 2016
Unused outstanding letters	$ 702,660	1,033,916	191,904

(c) The amounts of commitment letters for related parties were as follows (expressed in thousands):

	September 30, 2015	December 31, 2015	September 30, 2016
USD	$ 1,054,000	1,054,000	1,020,400
CNY	$ 1,130,000	1,130,000	-

10. Significant Disaster Loss: None.

11. Subsequent Event: None.

12. Others

(1) The nature of operating costs and expenses of the Group were as follows:

	For the three-month periods ended September 30,							
	2015				2016			
	Operating costs	Operating expenses	Non- operating expenses	Total	Operating costs	Operating expenses	Non- operating expenses	Total
Employee benefits								
Salaries	1,252,398	892,068	-	2,144,466	1,407,430	933,628	-	2,341,058
Labor and health insurance	88,846	58,899	-	147,745	92,470	56,694	-	149,164
Pension	83,430	52,482	-	135,912	81,702	45,660	-	127,362
Others	36,772	19,860	-	56,632	41,315	7,606	-	48,921
Depreciation expenses	1,859,248	94,866	-	1,954,114	2,017,169	87,386	-	2,104,555
Amortization expenses	123,681	2,583	8,207	134,471	139,072	2,099	4,912	146,083

	For the nine-month periods ended September 30,							
	2015				2016			
	Operating costs	Operating expenses	Non- operating expenses	Total	Operating costs	Operating expenses	Non- operating expenses	Total
Employee benefits								
Salaries	3,584,073	2,524,688	-	6,108,761	3,889,394	2,569,958	-	6,459,352
Labor and health insurance	257,681	171,136	-	428,817	270,024	165,669	-	435,693
Pension	248,811	156,169	-	404,980	241,767	139,922	-	381,689
Others	96,111	52,475	-	148,586	122,088	54,221	-	176,309
Depreciation expenses	5,465,185	279,606	-	5,744,791	6,021,875	273,590	-	6,295,465
Amortization expenses	453,713	7,812	25,954	487,479	429,650	7,044	18,031	454,725

(2) Seasonality of operation

The operation of the Group is not influenced by seasonality and periodicity.

(Continued)

13. Other Disclosure Items

(a) Related information on material transaction items

The significant transactions required by the “Guidelines” for the Group were as follows:

(i) Fund financing to other parties (the amounts expressed in CNY are in thousands):

No.	Name of Lenders	Name of Borrowers	Account name	Related party	Highest balance of financing to other parties during the period	Ending Balance	Actual usage during the period	Range of interest rates during the period	Purposes of fund financing for the borrowers (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits (Note 2)	Maximum limitation on fund financing (Note 2)	Note
													Name	Value			
0	The Company	Formosa Petrochemical Corp.	Due from related parties	Yes	$ 12,500,000	$ 4,500,000	$ -	1.406% ~1.407%	2	-	Short-term financing	-	-	-	$ 57,179,201	$114,358,402	
0	The Company	Formosa Chemicals & Fibre Corp.	Due from related parties	Yes	7,000,000	4,500,000	-	1.407%	2	-	Short-term financing	-	-	-	57,179,201	114,358,402	
0	The Company	Nan Ya plastic Corp.	Due from related parties	Yes	8,500,000	4,500,000	-	1.407%	2	-	Short-term financing	-	-	-	57,179,201	114,358,402	
0	The Company	Formosa Heavy Industries Corp.	Due from related parties	Yes	6,500,000	5,250,000	750,000	1.406% ~1.435%	2	-	Short-term financing	-	-	-	57,179,201	114,358,402	
0	The Company	Japan Formosa Sumco Technology Corp.	Due from related parties	Yes	1,500,000	-	-	1.000%	2	-	Short-term financing	-	-	-	57,179,201	114,358,402	
0	The Company	Formosa Plastic Transportation Corp.	Due from related parties	Yes	300,000	150,000	150,000	1.406% ~1.497%	2	-	Short-term financing	-	-	-	57,179,201	114,358,402	
0	The Company	Nan Ya Technology Corp.	Due from related parties	Yes	13,000,000	13,000,000	4,500,000	1.406% ~1.497%	2	-	Short-term financing	-	-	-	57,179,201	114,358,402	
0	The Company	Asian Pacific Investment Corp.	Due from related parties	Yes	680,000	244,800	244,800	1.406% ~1.497%	2	-	Short-term financing	-	-	-	57,179,201	114,358,402	
0	The Company	Formosa Ha Tinh (Cayman) Limited	Due from related parties	Yes	4,610,000	4,610,000	-	1.407%	2		Short-term financing	-	-	-	57,179,201	114,358,402	
0	The Company	Formosa Ha Tinh (Cayman) Limited Taiwan Branch	Due from related parties	Yes	777,000	163,000	30,000	1.406% ~1.497%	2	-	Short-term financing	-	-	-	57,179,201	114,358,402	
0	The Company	Formosa Group (Cayman) Limited	Due from related parties	Yes	9,215,000	8,041,750	8,041,750	1.406% ~1.435%	2	-	Short-term financing	-	-	-	57,179,201	114,358,402	

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

No.	Name of Lenders	Name of Borrowers	Account name	Related party	Highest balance of financing to other parties during the period	Ending Balance	Actual usage during the period	Range of interest rates during the period	Purposes of fund financing for the borrowers (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits (Note 2)	Maximum limitation on fund financing (Note 2)	Note
													Name	Value			
0	The Company	Formosa Group Ocean Marine Corp.	Due from related parties	Yes	$ 5,403,041	$ 4,300,099	$ 3,560,099	1.406% ~1.497%	2	-	Short-term financing	-	-	-	$ 57,179,201	$ 114,358,402	
1	Formosa Industries (Ningbo) Co., Ltd.	Formosa Polyethylene (Ningbo) Co., Ltd.	Due from related parties	Yes	629,398 (CNY134,000)	497,882 (CNY 106,000)	497,888 (CNY106,000)	3.045%	2	-	Short-term financing	-	-	-	2,953,574	5,907,147	Note 4, 5
2	Formosa Acrylic Esters (Ningbo) Co., Ltd.	Formosa Super Absorbent Polymer (Ningbo) Co., Ltd.	Due from related parties	Yes	2,083,120 (CNY 443,500)	2,083,120 (CNY 443,500)	2,083,144 (CNY 443,500)	3.045%	2	-	Short-term financing	-	-	-	5,313,175	10,626,351	Note 4, 5
2	Formosa Acrylic Esters (Ningbo) Co., Ltd.	Formosa Polyethylene (Ningbo) Co., Ltd.	Due from related parties	Yes	455,609 (CNY 97,000)	347,578 (CNY 74,000)	347,582 (CNY 74,000)	3.045%	2	-	Short-term financing	-	-	-	5,313,175	10,626,351	Note 4, 5
2	Formosa Acrylic Esters (Ningbo) Co., Ltd.	Formosa Mitsui Advanced Chemical Co., Ltd.	Due from related parties	Yes	42,273 (CNY 9,000)	42,273 (CNY 9,000)	42,274 (CNY 9,000)	3.045% ~3.745%	2	-	Short-term financing	-	-	-	4,250,540	10,626,351	Note 4
3	Formosa Electronic (Ningbo) Co., Ltd.	Formosa Polyethylene (Ningbo) Co., Ltd.	Due from related parties	Yes	116,486 (CNY 24,800)	116,486 (CNY 24,800)	116,487 (CNY 24,800)	3.045%	2	-	Short-term financing	-	-	-	134,584	269,167	Note 4, 5
3	Formosa Electronic (Ningbo) Co., Ltd.	Formosa Super Absorbent Polymer (Ningbo) Co., Ltd.	Due from related parties	Yes	130,107 (CNY 27,700)	130,107 (CNY 27,700)	130,108 (CNY 27,700)	3.045%	2	-	Short-term financing				134,584	269,167	Note 4, 5
4	Formosa Polypropylene (Ningbo) Co., Ltd.	Formosa Super Absorbent Polymer (Ningbo) Co., Ltd.	Due from related parties	Yes	126,819 (CNY 27,000)	126,819 (CNY 27,000)	126,821 (CNY 27,000)	3.045%	2	-	Short-term financing	-	-	-	4,003,752	8,007,504	Note 4, 5
4	Formosa Polypropylene (Ningbo) Co., Ltd.	Formosa Polyethylene (Ningbo) Co., Ltd.	Due from related parties	Yes	1,054,477 (CNY 224,500)	906,521 (CNY 193,000)	906,532 (CNY 193,000)	3.045%	2	-	Short-term financing	-	-	-	4,003,752	8,007,504	Note 4, 5

Note 1: (1) Those with business contact please fill in 1
(2) Those necessary for short-term financing please fill in 2.

Note 2: (1) The maximum financing allowed should not exceed 50% of the Company's net equity, and the maximum short-term financing to companies with no transaction with the Company could not exceed 40% of the Company's net equity as of September 30, 2016.
(2) The Company grants financing to a related party even if the Company has no normal business transactions with the entity. However, such financing is limited to 25% of the related party's equity based on the current independent auditor's report.
(3) The Company grants financing to an entity even if the Company has no normal business transactions with the entity. However, such financing is limited to 20% of the Company's equity based on the current independent auditor's report.
(4) The limit on loans granted by a subsidiary to a single party, related party and party with business transactions shall not be more than 50% of the subsidiary's net assets, and the limit to others is 40% of the subsidiary's net assets.
(5) The limit on loans granted by a subsidiary to others is 100% of the Company's net assets; the limit on loan granted to a short-term financing borrower with no business transactions is 40% of the Company's net assets. There is no such restriction for non-Taiwanese companies whose voting rights are 100% owned directly and indirectly by the same company.

Note 3: The ending balance was approved by the Board of Directors.

Note 4: The transaction has already been written off in the consolidated financial statements.

Note 5: The exchange rate of New Taiwan dollars to CNY dollars was 4.697 to 1 for the highest balance of financing to other parties during the period and for the ending balance; and the exchange rate of New Taiwan dollars to CNY dollars was 4.69706 to 1 for the actual usage during the period.

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(ii) Guarantees and endorsements for other parties:

No.	Endorsement guarantee provider	Counter-party		Limitation amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantee and endorsements during the period	Balance of guarantees and endorsements as of June 30, 2016	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amounts for guarantees and endorsements	Parent Company endorses/ guarantees to third parties on behalf of subsidiary	Subsidiary endorses/ guarantees to third parties on behalf of Parent Company	Endorsements/ guarantees to the third parties on behalf of the Companies in Mainland China
		Name	Relationship with The Company (Note 2)										
0	The Company	Formosa Group (Cayman) Limited	6	$ 185,832,404	$ 43,450,563	$34,620,223	$ 34,620,223	-	12.11%	$ 371,664,808	N	N	0
0	The Company	Formosa Ha Tinh (Cayman) Limited	6	185,832,404	13,055,916	12,119,872	7,530,098	-	4.24%	371,664,808	N	N	0

Note 1: The guarantees and endorsements of the Company and its subsidiaries were listed in the form of numbers with the rules below:
(1) The Company is represented by 0.
(2) The subsidiaries are represented numerically starting from 1.

Note 2: There are six conditions in which the Company may have guarantees or endorsements for other parties as follows:
(1) The Company has business relationship.
(2) The Company holds directly more than 50% of the common shares of stock of the subsidiaries.
(3) In aggregate, the Company and its subsidiaries hold more than 50% of the investee.
(4) In aggregate, the Company holds directly or its subsidiaries hold indirectly more than 50% of the investee.
(5) The Company is required to provide guarantees or endorsements for the construction project based on the construction contract.
(6) The stockholders of the Company provide guarantees or endorsements for the investee in proportion to their stockholding percentage.

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(iii) The securities held at balance sheet date (excluding subsidiaries, associates and joint ventures):

Security holder	Category and name of security	Relationship between issuer of security and the company which holds securities	Account name	2016.6.30				Note
				Shares / Units (in thousands)	Carrying value	Percentage of ownership	Market value or net asset value	
The Company	Asian Pacific Investment Corp.	Other related parties	Financial assets carried at cost	$ 68,743	$ 777,804	16.17%	$ 2,399,684	Note 1
The Company	Mai-Liao Harbor Administration Corp.	Other related parties	Financial assets carried at cost	39,574	539,486	17.99%	961,309	Note 1
The Company	Taiwan Aerospace Corp.	-	Financial assets carried at cost	1,103	11,026	0.81%	12,173	Note 1
The Company	Chinese Television System Inc.	-	Financial assets carried at cost	1,769	28,609	1.05%	53,933	Note 1
The Company	China Investment & Development Co., Ltd.	-	Financial assets carried at cost	1,287	8,250	0.80%	12,765	Note 1
The Company	Formosa Plastics Development Corp.	Other related parties	Financial assets carried at cost	14,672	90,010	18.00%	237,074	Note 1
The Company	Xiangho Aircraft Leasing Corp.	-	Financial assets carried at cost	2,071	-	9.55%	-	
The Company	Formosa Petrochemical Transportation Corporation, Ltd.	Other related parties	Financial assets carried at cost	2,642	24,013	12.00%	38,702	Note 1
The Company	Formosa Network Technology Corp.	Other related parties	Financial assets carried at cost	2,925	13,331	12.50%	54,138	Note 1
The Company	Formosa Plastics Marine Corp.	Other related parties	Financial assets carried at cost	2,429	15,000	15.00%	143,098	Note 1
The Company	Formosa Group Ocean Investment Corp.	Other related parties	Financial assets carried at cost	3	856,948	19.00%	9,595,132	Note 1
The Company	Formosa Plastics Maritime Corp.	Other related parties	Financial assets carried at cost	354	1,691	18.11%	65,031	Note 1
The Company	Am Trust Capital I Corp.	-	Financial assets carried at cost	5,000	50,000	3.91%	52,890	Note 1
The Company	Central Leasing International Corp.	-	Financial assets carried at cost	2,373	-	1.43%	-	
The Company	Inteplast Taiwan Corporation	Other related parties	Financial assets carried at cost	2,160	21,600	18.00%	22,741	Note 1
The Company	Mega Growth Venture Capital Co., Ltd.	-	Financial assets carried at cost	2,500	25,000	1.97%	24,804	Note 1
Formosa Plastics Corp. (Cayman Ltd)	Swancor (Jiangsu) Carbon Fiber Composite Co., Ltd.	-	Financial assets carried at cost	-	95,979	18.00%	71,071	Note 2
Formosa Plastics International (Cayman) Limited	Formosa Ha Tinh (Cayman) Limited	Other related parties	Financial assets carried at cost	508,237	15,004,226	11.43%	15,449,801	Note3
The Company	Nan Ya Plastics Corporation	Other related parties	Available-for-sale financial asset－current	783,357	48,568,125	9.88%	48,568,125	
The Company	Formosa Chemicals & Fibre Corporation	Other related parties	Available-for-sale financial asset－current	198,744	16,754,114	3.39%	16,754,114	
The Company	Nan Ya Technology Corp.	Other related parties	Available-for-sale financial asset－current	367,538	14,425,861	13.37%	14,425,861	
The Company	Mega Prosperity Private Placement Fund	-	Available-for-sale financial asset－current	14,979	4,724,401	25.00%	4,724,401	

Note 1: The net asset value of equity was calculated based on audited financial statements.

Note 2: The net asset value of equity was calculated based on unaudited financial statements.

(Continued)

(iv) The accumulated purchase or sale of securities for the period exceeding $300 million or 20% of the paid-in capital:

Company Name	Type and Issuer of Marketable Securities	Account Name	Counterparty	Nature of the Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares (in thousands)	Amount	Number of Shares (in thousands)	Amount	Number of Shares (in thousands)	Amount	Carrying Value	Gain (Loss) on Disposal	Number of Shares (in thousands)	Amount
The Company	Securities-Formosa Group Investment (Cayman) Limited	Investments accounted for using equity method	Formosa Group Investment (Cayman) Limited	Associates	508,249	15,817,802	-	-	508,249	-	15,817,802 (Note 1)	-	-	-
The Company	Securities-Formosa Plastics International (Cayman) Limited	Investments accounted for using equity method	Formosa Plastics International (Cayman) Limited	Subsidiaries	-	-	50	15,817,802 (Note 1)	-	-	-	-	50	15,004,572 (Note 2)
Formosa Plastics International (Cayman) Limited	Securities-Formosa Ha Tinh (Cayman) Limited	Financial assets carried at cost	Formosa Ha Tinh (Cayman) Limited	Other related parties	-	-	508,237	16,084,840 (Note 1、3)	-	-	-	-	508,237	15,004,226 (Note 4)
The Company	Mega Prosperity Private Placement Fund	Available-for-sale financial asset－current	-	-	-	-	14,979	4,918,250	-	-	-	-	14,979	4,724,401 (Note5)
The Company	Stock- Formosa Industries Corp	Investments accounted for using equity method	Formosa Industries Corporation	Subsidiaries	2	4,909,461	-	1,614,250					2	6,147,583 (Note6)

Note 1: On January 13, 2016, the Group reorganized its investment structure. Please refer to Note 6(5) for detail information.

Note 2: The ending balance includes the accumulated translation adjustment of investment accounted for using equity method of $ (813,230).

Note 3: The acquisition amount was revalued using the exchange rate of TWD to USD on the date of the reorganization.

Note 4: The ending balance includes the evaluation adjustment of ending exchange rate of $ (1,080,614).

Note 5: The ending balance includes the evaluation adjustment of ending exchange rate of $(193,849).

Note 6: The ending balance includes the evaluation adjustment of ending exchange rate of $(376,128).

(v) Information on the acquisition of real estate which exceeds $300 million or 20% of the paid-in capital for the year ended September 30, 2016: None.

(vi) Information on the disposal of real estate which exceeds $300 million or 20% of the paid-in capital for the year ended September 30, 2016: None.

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FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(vii) Information regarding related-party purchase and sale transactions which exceed $100 million or 20% of the paid-in capital:

Company name	Related party	Relationship	Transaction details				Abnormal transaction		Note/Account (payable) receivable		Note
			Purchase (Sale)	Amount	% to total purchase /sale	Payment terms	Unit price	Payment terms	Ending balance	% to total	
The Company	Nan Ya Plastics Corporation	Other related parties	(Sales)	$ (7,996,832)	(10.86)%	Before the 27th of the following month	-		$ 856,673	9.73%	
The Company	Formosa Chemicals & Fiber Corporation	〃	〃	(3,926,590)	(5.33)%	Before the 27th of the following month	-		450,962	5.12%	
The Company	Formosa Petrochemical Corporation	Associates	〃	(4,583,725)	(6.23)%	Before the 27th of the following month	-		376,491	4.28%	
The Company	Formosa Heavy Industries Corp.	〃	〃	(141,667)	(0.19)%	Before the 27th of the following month	-		3,089	0.04 %	
The Company	Formosa Daikin Advanced Chemical Co., Ltd.	Joint ventures	〃	(372,315)	(0.51)%	Before the 27th of the following month	-		48,487	0.55 %	
The Company	Formosa Taffeta Co. Ltd.	Other related parties	〃	(252,316)	(0.34)%	Before the 27th of the following month			20,422	0.23 %	
The Company	Inteplast Taiwan Corporation	〃	〃	(147,185)	(0.20)%	Before the 27th of the following month			15,571	0.18%	
The Company	Nan Ya Electronic Materials (Kunshan) Co.Ltd.)	〃	〃	(122,743)	(0.17)%	O/A 60 days			18,224	0.21 %	
The Company	Formosa Industries (Ningbo) Co., Ltd.	Parent-subsidiary	〃	(2,668,191)	(3.62)%	O/A 90 days	-		801,785	9.11 %	Note
The Company	Formosa Acrylic Esters (Ningbo) Co., Ltd.	Parent-subsidiary	〃	(1,452,080)	(1.97)%	O/A 90 days	-		165,612	1.88 %	Note
The Company	Formosa ABS Plastic (Ningbo) Co., Ltd.	Other related parties	〃	(1,315,337)	(1.79)%	O/A 60 days	-		380,677	4.32 %	
The Company	Formosa Plastics Corp., U.S.A.	Associates	〃	(1,659,222)	(2.25)%	O/A 90 days	-		366,805	4.17 %	
The Company	Nan Ya Plastics (Guangzhou) Co., Ltd.	Other related parties	〃	(272,473)	(0.37)%	O/A 60 days	-		50,330	0.57 %	
Formosa Industries (Ningbo) Co., Ltd.	Nan Ya Plastics (Nantong) Co., Ltd.	Other related parties	〃	(362,047)	(5.01)%	Before the 30th of the following month	-		31,860	7.00 %	
Formosa Industries (Ningbo) Co., Ltd.	Nan Ya Plastics Film (Nantong) Co., Ltd	Other related parties	〃	(174,867)	(2.42)%	Before the 30th of the following month	-		15,227	3.34 %	
Formosa Industries (Ningbo) Co., Ltd.	Nan Ya Plastics (Guangzhou) Co., Ltd.	Other related parties	〃	(280,173)	(3.88)%	Before the 30th of the following month	-		58,767	12.91 %	

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Company name	Related party	Relationship	Transaction details				Abnormal transaction		Note/Account (payable) receivable		Note
			Purchase (Sale)	Amount	% to total purchase /sale	Payment terms	Unit price	Payment terms	Ending balance	% to total	
Formosa Industries (Ningbo) Co., Ltd.	Nan Ya Plastics (Xiamen) Co., Ltd.	Other related parties	(Sales)	(178,434)	(2.47)%	Before the 30th of the following month	-		31,685	6.69 %	
Formosa Acrylic Esters (Ningbo) Co., Ltd.	The Company	Parent-subsidiary	〃	(437,716)	(6.74)%	Before the 90th of the following month			-	-%	Note
Formosa Acrylic Esters (Ningbo) Co., Ltd.	Formosa Super Absorbent Polymer (Ningbo) Co., Ltd.	Subsidiaries	〃	(545,050)	(8.39)%	Before the 90th of the following month	-		66,431	3.75 %	Note
The Company	Nan Ya Plastics Corporation	Other related parties	Purchase	656,173	0.84 %	Before the 27th of the following month	-		(72,229)	(1.09)%	
The Company	Formosa Chemicals & Fiber Corporation	Other related parties	〃	1,551,424	1.99 %	Before the 27th of the following month	-		(218,221)	(3.31)%	
The Company	Formosa Petrochemical Corporation	Associates	〃	52,218,891	66.89 %	Before the 27th of the following month	-		(4,909,869)	(74.36)%	
The Company	Formosa Heavy Industries Corp.	Associates	〃	454,564	0.58 %	Before the 27th of the following month	-		(45,199)	(0.68)%	
Formosa Acrylic Esters (Ningbo) Co., Ltd.	The Company	Parent-subsidiary	〃	3,943,041	66.52 %	O/A 90 days	-		(386,388)	(70.21)%	Note, Note 1
Formosa Polypropylene (Ningbo) Co., Ltd.	The Company	Parent-subsidiary	〃	6,384,599	80.31 %	O/A 90 days	-		(299,637)	(54.66)%	Note, Note 1
Formosa Polyethylene (Ningbo) Co., Ltd.	The Company	Parent-subsidiary	〃	712,402	100.00%	O/A 90 days			-	- %	Note, Note 1

Note：The transaction has already been written off in the consolidated financial statements.

Note 1：Including the purchases of raw materials on behalf of related parties.

(Continued)

(viii) Information regarding receivables from related parties which exceed $100 million or 20% of the paid-in capital:

Company name	Related party	Relationship	Ending balance	Turnover day	Overdue		Amounts received in subsequent periods	Allowance for bad debts	Note
					Amount	Action taken			
The Company	Nan Ya Plastics Corporation	Other related parties	$856,673	12.31%	-	-	-	-	
The Company	Formosa Chemicals & Fiber Corporation	〃	450,962	11.21%	-	-	-	-	
The Company	Formosa Petrochemical Corporation	Associates	376,491	13.80%	-	-	-	-	
The Company	Formosa Industries (Ningbo) Co., Ltd.	Parent-subsidiary	801,785	4.36%	-	-	-	-	Note
The Company	Formosa Acrylic Esters (Ningbo) Co., Ltd.	Parent-subsidiary	165,612	7.25%			-	-	Note
The Company	Formosa ABS Plastics (Ningbo) Co., Ltd.	Other related parties	380,677	3.72%	-	-	-	-	
The Company	Formosa Plastics Corp., U.S.A.	Associates	366,805	4.64%	-	-	-	-	
The Company	Formosa Heavy Industries Corp.	Associates	750,000		-	-	-	-	
The Company	Nan Ya Technology Corp.	Other related parties	4,500,000	-	-	-	-	-	
The Company	Asian Pacific Investment Corp.	〃	244,800	-	-	-	-	-	
The Company	Formosa Group Ocean Marine Corp.	〃	3,560,099	-	-	-	-	-	
The Company	Formosa Plastic Transportation Corp.	Associates	150,000	-	-	-	-	-	
The Company	Formosa Group (Cayman) Limited	〃	8,041,750	-	-	-	-	-	
The Company	Formosa Acrylic Esters (Ningbo) Co., Ltd	Parent-subsidiary	220,776	-	-	-	-	-	Note
The Company	Formosa Polypropylene (Ningbo) Co., Ltd	〃	299,637	-	-	-	-	-	Note
The Company	Fujian Fuxin Special Steel Co., Ltd	Associates	576,105	-	-	-	-	-	
The Company	Formosa Ha Tinh Steel Corporation	Other related parties	968,843	-	-	-	-	-	
Formosa Industries (Ningbo) Co., Ltd.	Formosa Polyethylene (Ningbo) Co., Ltd.	Subsidiaries	497,888	-	-	-	-	-	Note
Formosa Acrylic Esters (Ningbo) Co., Ltd.	Formosa Super Absorbent Polymer (Ningbo) Co., Ltd.	〃	2,083,144	-	-	-	-	-	Note
Formosa Acrylic Esters (Ningbo) Co., Ltd.	Formosa Polyethylene (Ningbo) Co., Ltd.	〃	374,582	-	-	-	-	-	Note
Formosa Polypropylene (Ningbo) Co., Ltd.	Formosa Polyethylene (Ningbo) Co., Ltd.	〃	906,532	-	-	-	-	-	Note
Formosa Polypropylene (Ningbo) Co., Ltd.	Formosa Super Absorbent Polymer (Ningbo) Co., Ltd.	〃	126,821	-	-	-	-	-	Note
Formosa Electronic (Ningbo) Co., Ltd.	Formosa Polyethylene (Ningbo) Co., Ltd.	〃	116,487	-	-	-	-	-	Note
Formosa Electronic (Ningbo) Co., Ltd.	Formosa Super Absorbent Polymer (Ningbo) Co., Ltd.	〃	130,108	-	-	-	-	-	Note

Note ：The transaction has already been written off in the consolidated financial statements.

(ix) For information regarding trading in derivative financial instruments: None.

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(x) Intercompany relationships and significant intercompany transactions:

No.	Company name	Counter party	Relationship	Intercompany transactions			
				Financial Statement Item	Amount	Terms	Percentage of consolidated total gross sales or total assets
0	The Company	Formosa Industries (Ningbo) Co., Ltd.	1	Sales	$ 2,668,191	O/A 90 days	2.06 %
0	The Company	Formosa Industries (Ningbo) Co., Ltd.	1	Accounts receivable	801,785	〃	0.19 %
0	The Company	Formosa Acrylic Esters (Ningbo) Co., Ltd.	1	Sales	1,452,080	〃	1.12 %
0	The Company	Formosa Acrylic Esters (Ningbo) Co., Ltd.	1	Accounts receivable	165,612	〃	0.04 %
0	The Company	Formosa Acrylic Esters (Ningbo) Co., Ltd.	1	Other receivables－related parties	220,776	O/A 30 days	0.05 %
0	The Company	Formosa Polypropylene (Ningbo) Co., Ltd.	1	Other receivables－related parties	299,637	〃	0.07 %
1	Formosa Industries (Ningbo) Co., Ltd.	Formosa Polyethylene (Ningbo) Co., Ltd.	3	Due from related parties	497,888		0.12 %
2	Formosa Acrylic Esters (Ningbo) Co., Ltd.	The Company	2	Sales	437,716	Before the 90th of the following month	0.34 %
2	Formosa Acrylic Esters (Ningbo) Co., Ltd.	Formosa Super Absorbent Polymer (Ningbo) Co., Ltd	3	Sales	545,050	〃	0.42 %
2	Formosa Acrylic Esters (Ningbo) Co., Ltd.	Formosa Super Absorbent Polymer (Ningbo) Co., Ltd.	3	Accounts receivable	66,431	〃	0.02 %
2	Formosa Acrylic Esters (Ningbo) Co., Ltd.	Formosa Super Absorbent Polymer (Ningbo) Co., Ltd.	3	Due from related parties	2,083,144	-	0.49 %
2	Formosa Acrylic Esters (Ningbo) Co., Ltd..	Formosa Polyethylene (Ningbo) Co., Ltd.	3	Due from related parties	347,582	-	0.08 %
3	Formosa Polypropylene (Ningbo) Co., Ltd.	Formosa Super Absorbent Polymer (Ningbo) Co., Ltd.	3	Due from related parties	126,821	-	0.03 %
3	Formosa Polypropylene (Ningbo) Co., Ltd.	Formosa Polyethylene (Ningbo) Co., Ltd.	3	Due from related parties	906,532	-	0.02 %
4	Formosa electronic (Ningbo) Co., Ltd.	Formosa Polyethylene (Ningbo) Co., Ltd.	3	Due from related parties	116,487	-	0.03 %
4	Formosa electronic (Ningbo) Co., Ltd.	Formosa Super Absorbent Polymer (Ningbo) Co., Ltd.	3	Due from related parties	130,108		0.03 %

Note 1: Assigned numbers represent the following:

1. 0 represents the parent company.
2. The subsidiaries are represented numerically starting from 1.

Note 2: The terms of transactions are defined as follows:

1. Represents the parent company having transaction with a subsidiary.
2. Represents a subsidiary having transaction with the parent company.
3. Represents a subsidiary having transaction with a subsidiary.

(Continued)

(b) Information on investment (excluding those in Mainland China, the amounts expressed USD are in thousands):

Investor company	Investee company	Location	Major operations	Original investment Amount		Balance as of Mar 31, 2016			Net income of investee	Investment income (loss) recognized by the investor company	Notes
				June 30, 2016	December 31, 2015	Shares	%	Carrying value			
The Company	Formosa Petrochemical Corporation	Taiwan	Petrochemicals	$ 30,144,951	$ 30,144,951	2,720,549	28.56%	$ 79,255,962	$ 52,964,971	$ 15,057,825	Note, Note 2
The Company	Formosa Plastics Corp., U.S.A.	U.S.A	Chemicals	5,614,024	5,614,024	70	22.61%	51,729,444	23,414,984	5,270,401	Note, Note 2
The Company	Formosa Heavy Industries Corp.	Taiwan	Mechanical equipment	2,498,463	2,498,463	651,828	32.92%	7,826,306	(221,686)	(57,929)	Note, Note 2
The Company	Sky Dragon Investment Limited	Samoa	Investment	6,201,032	6,201,032	200,000	50.00%	1,482,300	(2,049,957)	(1,024,979)	Note, Note 2
The Company	Formosa Plastics Corp. (Cayman Ltd.)	Cayman	Investment	19,104,301	19,075,078	75	100.00%	26,600,439	(317,359)	(317,359)	Note, Note 1
The Company	Mai Liao Power Corp.	Taiwan	Electricity	5,985,531	5,985,531	498,842	24.94%	10,891,479	4,300,784	1,072,615	Note, Note 2
The Company	Formosa Sumco Technology Corp.	Taiwan	Electronics manufacture	2,837,042	2,837,042	225,415	29.06%	5,758,609	510,509	148,352	Note, Note 2
The Company	Formosa Transportation Corp.	Taiwan	Transportation	60,664	60,664	4,546	33.33%	718,719	85,160	28,384	Note, Note 2
The Company	Formosa Fairway Corp.	Taiwan	Transportation	33,330	33,330	4,472	33.33%	78,247	(8,531)	(2,843)	Note 2
The Company	Yi-Jih Development Corp.	Taiwan	Construction	57,000	57,000	5,700	28.72%	62,684	549	159	Note 2
The Company	Ya Tai Development Corp.	Taiwan	Development of land	54,034	54,034	1,306	45.04%	26,760	(13,887)	(6,255)	Note 2
The Company	Formosa Asahi Spandex Co., Ltd.	Taiwan	Artificial fiber	501,752	501,752	50	50.00%	1,312,752	224,529	112,265	Note 2
The Company	Formosa Automobile Corporation	Taiwan	Automobile	270,442	270,442	27,044	45.00%	(64,993)	38,538	17,342	Note 2
The Company	Wha Ya Park Management Consulting Corporation Ltd.	Taiwan	Consulting service	341	341	33	33.00%	1,948	262	86	Note 2
The Company	Formosa Daikin Advanced Chemical Co., Ltd.	Taiwan	Chemical industry	100,000	100,000	24	50.00%	861,845	114,260	57,130	Note 2
The Company	Su-Hua Transportation Corporation	Taiwan	Transportation	50,000	50,000	7,659	25.00%	242,494	97,358	24,340	Note 2
The Company	Formosa Resources Corporation	Taiwan	Mining industry	4,162,500	4,162,500	416,250	25.00%	4,296,548	(362,211)	(90,553)	Note, Note 2
The Company	Formosa Environmental Technology Corporation	Taiwan	Environmental industry	417,145	417,145	41,714	24.34%	257,652	(14,488)	(3,526)	Note, Note 2
The Company	Formosa Group (Cayman) Limited	Cayman	Investment	377	377	13	25.00%	212,728	275,587	68,897	Note, Note 2
The Company	Formosa Plastics Development Corporation Ltd.	Taiwan	Construction	100,000	15,000	10,000	33.33%	92,818	(8,531)	(2,844)	Note 2
The Company	Formosa Industries Corporation	U.S.A	Chemicals	6,546,250	4,932,000	2	100.00%	6,417,583	(80,538)	(80,538)	Note, Note 1
The Company	Formosa Plastics International (Cayman) Limited.	Cayman	Investment	15,370,112	-	50	100.00%	15,004,572	-	-	Note, Note 1
Formosa Plastics Corp. (Cayman Ltd.)	Formosa Industries (Hong Kong) Limited	Hong Kong	Reinvestment	7,367,936 (USD 234,902)	7,767,270 (USD234,902)	-	100.00%	26,397,861 (USD841,607)	(309,564) (USD-9,531)	(309,564) (USD-9,531)	Note 2, Note 3
Formosa Industries Corporation	Formosa Olefins, L.L.C.	U.S.A	Olefins	3,001,726 (USD 95,700)	3,146,616 (USD 95,700)	-	33.00%	2,915,860 (USD92,962)	-	-	Note 2, Note 3

Note ： Including cumulative translation adjustments.

Note 1：The transaction has already been written off in the consolidated financial statements.

Note 2：Long-term equity investments under equity method.

Note 3：The exchange rate of New Taiwan dollars to US dollars on September 30, 2016, was 31.3660 to 1.
The average exchange rate of New Taiwan dollars to US dollars for the nine-month periods ended September 30, 2016, was 32.4816 to 1.

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FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(c) Information regarding investments in Mainland China (amounts expressed in USD are in thousands):

(i) Information on indirect investment in companies in Mainland China:

Name of the PRC investee company	Primary business scope	Amount of paid-in capital	Method of investment	Investment transferred from Taiwan, beginning of period	Six-month periods ended June 30, 2016		Investment transferred from Taiwan, end of period	Equity in the earnings (losses)	Direct and indirect shareholding percentage by the company	Recognized gain or loss from investment for the current period (Note 1)	Carrying value of investment, end of period	Remitted gain on investment, end of period
					Remittance	Remittance						
Formosa Industries (Ningbo) Co., Ltd.	Plastics	$ 5,740,234 (USD177,350)	Indirect investment	$ 4,206,583 (USD126,000)	-	-	$ 4,206,583 (USD126,000)	$ 79,393 (USD2,444)	100.00%	$ 79,393 (USD2,444)	$5,967,238 (USD190,245)	-
Formosa Acrylic Esters (Ningbo) Co., Ltd.	Acrylic esters	7,849,446 (USD248,973)	Indirect investment	5,332,705 (USD163,570)	-	-	5,332,705 (USD163,570)	(739,243) (USD-22,759)	100.00%	(739,243) (USD-22,759)	10,643,012 (USD339,317)	-
Formosa Polypropylene (Ningbo) Co., Ltd.	Polypropylene	6,980,064 (USD211,900)	Indirect investment	6,980,064 (USD211,900)	-	-	6,980,064 (USD211,900)	1,159,427 (USD35,695)	100.00%	1,159,427 (USD35,695)	8,007,504 (USD255,292)	-
Formosa Super Absorbent Polymer (Ningbo) Co., Ltd.	Absorbent polymer	834,293 (USD26,300)	Indirect investment	624,930 (USD19,300)	-	-	624,930 (USD19,300)	(250,452) (USD-7,711)	100.00%	(250,452) (USD-7,711)	739,786 (USD23,586)	-
Formosa electronic (Ningbo) Co., Ltd.	Electronics	74,648 (USD2,260)	Indirect investment	66,137 (USD2,000)	-	-	66,137 (USD2,000)	21,798 (USD671)	100.00%	21,798 (USD671)	269,167 (USD8,581)	-
Formosa Polyethylene (Ningbo) Co., Ltd.	Polyethylene	1,670,088 (USD57,500)	Indirect investment	1,670,088 (USD57,500)	-	-	1,670,088 (USD57,500)	(580,487) (USD-17,871)	100.00%	(580,487) (USD-17,871)	771,154 (USD24,586)	-
Formosa Mitsui Advanced Chemical Co., Ltd.	Electrolyte	244,196 (USD8,200)	Indirect investment	122,098 (USD4,100)	-	-	122,098 (USD4,100)	(15,586) (USD-480)	50.00%	(7,793) (USD-240)	103,129 (USD3,288)	-
Fujian Fuxin Special Steel Co., Ltd.	Steel	24,768,000 (USD800,000)	Indirect investment	6,192,000 (USD200,000)	-	-	6,192,000 (USD200,000)	(4,099,915) (USD-126,223)	32.90%	(1,024,979) (USD-31,556)	1,481,734 (USD47,240)	-
Swancor (Jiangsu) Carbon Fiber Composite Co., Ltd.	Carbon fiber	555,517 (USD17,000)	Indirect investment	70,770 (USD2,160)	29,223 (USD900)	-	99,993 (USD3,060)	-	18.00%	-	95,979 (USD3,060)	-

Note 1: Recognized gains or losses from investment for the current period were based on the financial report reviewed by the Company's auditor, except for that of Fujian Fuxin Special Steel Co., which were based solely on the reports which were not reviewed by auditors.

Note 2: Except for Formosa Mitsui Advanced Chemical Co., Ltd., Fujian Fuxin Special Steel Co., Ltd. and Swancor (Jiangsu) Carbon Fiber Composite Co., Ltd., the amounts of investment of other subsidiaries had already been written off in the consolidated financial statements.

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(ii) Quota for investment in Mainland China:

Accumulative remittance from Taiwan to Mainland China, end of the period	**Amount of investment approved by Investment Commission, Ministry of Economic Affairs (Note 1)**	**Limit on the amount of investment in Mainland China (Note 2)**
25,294,598 (USD787,430)	29,215,641 (USD 931,443)	-

Note: The exchange rate of New Taiwan dollars to US dollars on September 30, 2016, was 31.3660 to 1.

Note 1: Including USD$144,013 thousand approved capital increase out of retained earnings.

Note 2: The Industrial Development Bureau of the MOEA issued a letter to the Company stating that it qualifies under Section 12 of the Statute for Upgrading Industries.

(iii) Significant transactions：None.

(Continued)

14. Segment information

Operating segments are combined and reconciled as follows:

	For the nine-month periods ended September 30, 2015							
	Plastic division	**Polyolefin division**	**Polypropylene division**	**Tairylan division**	**Chemistry division**	**Others divisions**	**Adjustments and eliminated**	**Total**
Revenue:								
From external customers	$ 48,005,345	27,768,355	28,225,526	19,342,665	19,516,206	2,841,609	-	145,699,706
From sales among intersegments	1,032,985	1,353,501	74,686	45,693	1,920,5116	3,847,515	(8,274,891)	-
Total revenue	**$ 49,038,330**	**29,121,856**	**28,300,212**	**19,388,358**	**21,436,717**	**6,689,124**	**(8,274,891)**	**145,699,706**
Reportable segment profit or loss	**$ 2,835,581**	**2,802,824**	**3,540,882**	**(2,054,513)**	**2,457,993**	**987,396**	**17,856,406**	**28,426,569**

	For the nine-month periods ended September 30, 2016							
	Plastic division	**Polyolefin division**	**Polypropylene division**	**Tairylan division**	**Chemistry division**	**Others divisions**	**Adjustments and eliminated**	**Total**
Revenue:								
From external customers	$ 46,301,348	27,425,170	21,917,180	15,707,159	15,638,853	2,736,389	-	129,726,099
From sales among intersegments	899,573	1,277,681	47,532	32,875	1,391,056	3,533,337	(7,182,054)	-
Total revenue	**$ 47,200,921**	**28,702,851**	**21,964,712**	**15,740,034**	**17,029,909**	**6,269,726**	**(7,182,054)**	**129,726,099**
Reportable segment profit or loss	**$ 2,649,507**	**2,916,609**	**3,532,683**	**(3,062,904)**	**1,529,181**	**822,210**	**22,048,506**	**30,435,792**

	Plastic division	**Polyolefin division**	**Polypropylene division**	**Tairylan division**	**Chemistry division**	**Others divisions**	**Adjustments and eliminated**	**Total**
Reportable segment assets								
June 30, 2015	**$ 35,284,314**	**17,018,016**	**18,172,134**	**42,665,906**	**8,552,311**	**347,959,768**	**(47,374,314)**	**422,278,135**
December 31, 2015	**$ 33,735,122**	**17,553,153**	**19,518,724**	**41,711,650**	**8,933,130**	**348,019,862**	**(45,970,591)**	**423,501,050**
June 30, 2015	**$ 31,674,072**	**17,652,931**	**17,649,164**	**37,050,076**	**7,529,358**	**348,808,722**	**(38,718,520)**	**421,645,803**