FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015 AND 2016
(With Independent Accountants' Review Report Thereon)

KPMG

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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 March 31, 2015 and 2016, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three-month periods then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion 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 three-month periods ended March 31, 2015 and 2016. The Company's investments in the aforementioned investee companies were NT$75,219,826 thousand and NT$84,563,888 thousand, constituting 17.27% and 19.30% of the consolidated total assets as of March 31, 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$436,331 thousand and NT$3,004,559 thousand, constituting 9.80% and 45.16% of the consolidated income before income tax for the three-month periods ended March 31, 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 three-month period ended March 31, 2016, which were not reviewed by independent accountants. The total assets of these subsidiaries amounted to NT$20,217,013 thousand, representing 4.61% of the related consolidated total assets as of March 31, 2016; the total liabilities amounted to NT$1,083 thousand, representing 0.00% of the related consolidated total liabilities as of March 31, 2016; and their comprehensive income amounted to a net income of NT$(511,334) thousand, representing (6.54)% of the consolidated total comprehensive income for the three-month period ended March 31, 2016.

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Furthermore, the Company's other equity-accounted investments in its investee companies of NT$86,762,865 thousand and NT$82,897,214 thousand as of March 31, 2015 and 2016, respectively, and its equity in net earnings on these investee companies of NT$1,466,074 thousand and NT$1,705,737 thousand for the three-month periods ended March 31, 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 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)
May 9, 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 March 31, 2015 and 2016

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2015, DECEMBER 31, 2015 AND MARCH 31, 2016

(Expressed in thousands of New Taiwan Dollars)

	March 31, 2015	December 31, 2015	March 31, 2016
Assets			
Current assets：			
Cash and cash equivalents (note 6(1))	$ 11,115,984	19,756,722	30,579,051
Available-for-sale financial assets－current(note 6(2))	87,283,948	79,288,300	85,999,951
Notes receivable (note 6(3))	987,988	1,914,785	1,634,772
Accounts receivable, net (note 6(3))	7,179,266	5,956,527	7,118,972
Accounts receivable－related parties (notes 6(3) and 7)	4,405,466	3,529,159	3,305,976
Other receivables (note 6(3))	1,037,557	1,099,364	1,247,741
Other receivables－related parties (notes 6(3) and 7)	28,799,968	15,815,496	11,719,550
Inventories (note 6(4))	19,033,464	16,696,688	16,883,520
Other current assets	4,933,315	4,501,464	4,499,573
Total current assets	164,776,956	148,558,505	162,989,106
Non-current assets：			
Available-for-sale financial assets－non-current (note 6(2))	10,464,659	-	-
Financial assets carried at cost－non-current	2,462,768	2,534,190	17,974,900
Investments accounted for using equity method (notes 6(5) and 8)	161,982,691	180,274,482	167,461,102
Property, plant and equipment (notes 6(6), 7 and 8)	82,805,292	81,461,329	79,487,610
Intangible assets	579,113	586,857	558,722
Deferred tax assets	1,647,335	1,637,819	1,742,284
Other assets (notes 6(3), 7 and 8)	10,788,765	8,447,868	7,992,740
Total non-current assets	270,730,623	274,942,545	275,217,358
Total assets	$ 435,507,579	423,501,050	438,206,464

	March 31, 2015	December 31, 2015	March 31, 2016
Liabilities and Equity			
Current liabilities：			
Short-term borrowings (notes 6(7) and 8)	$ 10,923,003	12,399,653	16,912,916
Short-term notes and bills payable(note 6(8))	-	-	3,998,247
Accounts payable	1,551,414	4,345,240	2,073,497
Accounts payable－related parties (note 7)	9,119,588	6,649,234	6,898,989
Other payables	2,919,944	4,966,775	5,494,739
Other payables－related parties (note 7)	1,007,355	2,801,830	1,810,048
Current portion of bonds payable (note 6(10))	7,994,987	14,635,089	14,621,815
Current portion of long-term debts (notes 6(9) and 8)	2,008,253	1,627,254	2,496,272
Other current liabilities (note 7)	12,649,842	12,038,977	13,110,756
Total current liabilities	48,174,386	59,464,052	67,417,279
Non-current liabilities：			
Bonds payable (note 6(10))	51,920,286	37,303,242	37,324,024
Long-term debts (notes 6(9) and 8)	24,814,923	18,097,544	16,957,699
Deferred tax liabilities	9,557,168	11,554,480	11,661,043
Net defined benefit liabilities-noncurrent liabilities	8,872,539	8,876,233	8,828,751
Other liabilities	499,631	770,595	766,604
Total non-current liabilities	95,664,547	76,602,094	75,538,121
Total liabilities	143,838,933	136,066,146	142,955,400
Equity (notes 6(12) (13)):			
Common stock	63,657,408	63,657,408	63,657,408
Capital surplus	11,277,971	11,443,715	11,443,696
Retained earnings			
Legal reserve	43,339,205	45,138,549	45,138,549
Special reserve	39,078,218	43,706,916	43,706,916
Unappropriated retained earnings	49,709,926	58,804,131	64,516,955
Total retained earnings	132,127,349	147,649,596	153,362,420
Other components of equity	84,605,918	64,684,185	66,787,540
Total equity	291,668,646	287,434,904	295,251,064
Total Liabilities and Equity	$ 435,507,579	423,501,050	438,206,464

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

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2015 AND 2016
(Expressed in thousands of New Taiwan Dollars, except for earnings per share)

	For the three-month periods ended March 31, 2015	2016
Operating revenues (notes 6(15) and 7)	$ 47,697,112	42,782,369
Operating costs (notes 6(4)(11)(13) and 7)	42,125,233	37,333,517
Gross profit	5,571,879	5,448,852
Operating expenses (notes 6(3)(11)(16) and 7)：		
Selling expenses	1,370,949	1,289,725
Administrative expenses	1,061,923	1,106,272
Research and development expenses	200,024	173,391
Total operating expenses	2,632,896	2,569,388
Operating income	2,938,983	2,879,464
Non-operating income and expenses (notes 6(5)(17) and 7)：		
Other income	111,009	104,111
Other gains and losses	(139,201)	(715,526)
Finance costs	(361,212)	(325,184)
Recognized share of profit of associates and joint ventures accounted for using equity method, net	1,902,405	4,710,296
Total non-operating income and expenses	1,513,001	3,773,697
Income before income tax	4,451,984	6,653,161
Less: income tax expense (note 6(12))	808,299	940,337
Net income	3,643,685	5,712,824
Other comprehensive income (notes 6(12)(13)):		
Items that could be reclassified subsequently to profit or loss		
Exchange differences arising on translation foreign operations	(1,059,813)	(2,391,609)
Unrealized gains on available-for-sale financial assets	3,211,590	4,220,102
Share of other comprehensive income of associates and joint ventures accounted for using equity method	601,755	(80,850)
Income tax expense related to components of other comprehensive income	121,236	355,712
Total items that could be reclassified subsequently to profit or loss	2,874,768	2,103,355
Total comprehensive income	**$ 6,518,453**	**7,816,179**
Basic earnings per share (note 6(14))		
-before income tax	**$ 0.70**	**1.05**
-after income tax	**$ 0.57**	**0.90**

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 THREE-MONTH PERIODS ENDED MARCH 31, 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	-	-	-	-	3,643,685	-	-	-	3,643,685
Other comprehensive income (loss) for the period, net of income tax	-	-	-	-	-	(938,577)	3,772,837	40,508	2,874,768
Total comprehensive income (loss) for the period	-	-	-	-	3,643,685	(938,577)	3,772,837	40,508	6,518,453
Changes in capital surplus									
Other	-	(17)	-	-	-	-	-	-	(17)
Balance as of March 31, 2015	**$ 63,657,408**	**11,277,971**	**43,339,205**	**39,078,218**	**49,709,926**	**4,478,207**	**80,090,299**	**37,412**	**291,668,646**
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	-	-	-	-	5,712,824	-	-	-	5,712,824
Other comprehensive income (loss) for the period, net of income tax	-	-	-	-	-	(2,035,897)	4,126,277	12,975	2,103,355
Total comprehensive income (loss) for the period	-	-	-	-	5,712,824	(2,035,897)	4,126,277	12,975	7,816,179
Changes in capital surplus									
Other	-	(19)	-	-	-	-	-	-	(19)
Balance as of March 31, 2016	**$ 63,657,408**	**11,443,696**	**45,138,549**	**43,706,916**	**64,516,955**	**5,146,641**	**61,545,648**	**95,251**	**295,251,064**

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 THREE-MONTH PERIODS ENDED MARCH 31, 2015 AND 2016
(Expressed in thousands of New Taiwan Dollars)

	For the three-month periods ended March 31, 2015	2016
Cash flows from operating activities:		
Income before income tax	$ 4,451,984	6,653,161
Adjustments for:		
Depreciation expense	1,895,668	2,067,317
Amortization expense	241,165	165,102
Provision for bad debt expense	197	1,496
Interest expenses	361,212	325,184
Interest income	(80,637)	(75,784)
Share of profit of associates and joint ventures accounted for using equity method	(1,902,405)	(4,710,296)
(Gain) loss on disposal of property, plant and equipment	(5,705)	129
Gain on disposal of investments	(159,813)	-
Unrealized foreign exchange gain	(381,420)	(357,963)
Incomes and expenses not affecting cash flows	(31,738)	(2,584,815)
Changes in operating assets and liabilities :		
Changes in operating assets :		
Notes receivable	38,830	280,013
Accounts receivable	181,302	(1,275,802)
Accounts receivable－related parties	(179,472)	223,183
Other receivables	13,185	(307,830)
Other receivables－related parties	(143,039)	3,348,908
Inventories	3,892,369	(384,640)
Other current assets	149,892	101,891
Total changes in operating assets	3,953,067	1,985,723
Changes in operating liabilities :		
Accounts payable	(3,903,561)	(2,271,743)
Accounts payable－related parties	1,760,949	249,755
Other payables	1,149,840	194,840
Other payables－related parties	76,908	(47,470)
Accrued expense and other current liabilities	2,846,849	1,020,088
Net defined benefit liabilities	(112,597)	(47,482)
Total changes in operating liabilities	1,818,388	(902,012)
Total changes in operating assets and liabilities	5,771,455	1,083,711
Total adjustments	5,739,717	(1,501,104)
Cash generated from operations:	10,191,701	5,152,057
Interest received	82,055	69,823
Dividends received	120,300	165,413
Interest paid	(184,061)	(175,246)
Income tax paid	(8,732)	(148,200)
Net cash provided by operating activities	10,201,263	5,063,847
Cash flows from investing activities:		
Acquisition of available-for-sale financial assets	-	(2,491,550)
Proceeds from disposal of available-for-sale financial assets	308,707	-
Acquisition of financial assets carried at cost	(25,000)	-
Acquisition of property, plant and equipment	(865,048)	(591,518)
Proceeds from disposal of property, plant and equipment	7,398	1,007
Decrease in due from related parties (listed under other receivables－related parties)	932,255	832,972
(Increase) decrease in other assets	(475,463)	281,219
Net cash used in investing activities	(117,151)	(1,967,870)
Cash flows from financing activities:		
Increase in short-term borrowings	22,562,214	35,687,540
Decrease in short-term borrowings	(25,403,685)	(31,158,027)
Increase in short-term notes and bills payable	-	4,000,000
Proceeds from long-term debts	3,100,000	-
Repayments of long-term debts	(4,737,464)	(57,143)
Decrease in due to related parties (recognized as other payables－related parties)	(6,712)	(944,312)
Increase (decrease) in other liabilities	26,336	(3,991)
Cash dividends paid	(3,712)	(1,223)
Net cash (used in) provided by financing activities	(4,463,023)	7,522,844
Effect of foreign currency exchange translation	102,070	203,508
Increase in cash and cash equivalents	5,723,159	10,822,329
Cash and cash equivalents at beginning of period	5,392,825	19,756,722
Cash and cash equivalents at end of period	$ 11,115,984	30,579,051

See accompanying notes to consolidated financial statements.

Notes to consolidated financial statements as of March 31, 2015 and 2016 are reviewed only, not audited in accordance with generally accepted auditing standards

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 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 three-month period ended March 31, 2016 were approved and authorized for issue by the board of directors on May 9, 2016.

3. New and Revised Standards and Iinterpretations

The Group has not applied the following the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) issued by the International Accounting Standards Board (IASB) but not yet endorsed by the FSC:

New, Revised or Amended Standards and Interpretations	Effective Date Prescribed by 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"	Not yet been announced by 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 Account"	January 1, 2016
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2018
IFRS 16 "Leasehold"	January 1, 2019
Amendments to IFRS 15 "Clarification of IFRS 15"	January 1, 2018
Amendment to IAS 1 "Disclosure Initiative"	January 1, 2016
Amendment to IAS 7 "Disclosure Initiative"	January 1, 2017
Amendment to IAS 12 "Recognization of Deferred Tax Assets by Unrealized Loss"	January 1, 2017
Amendments to IAS16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"	January 1, 2016
Amendments to IAS16 and IAS 41 "Bearer Plants"	January 1, 2016

New, Revised or Amended Standards and Interpretations	Effective Date Prescribed by IASB
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 Cycle 2010-2012 and 2011-2013	July 1, 2014
Annual Improvements to IFRSs 2012–2014 Cycle	January 1, 2016
Amendments to IFRIC Interpretation 21 “Levies”	January 1, 2014

The Group is evaluating the impact on its financial position and financial performance of the initial adoption of above mentioned 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)

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

			Percentage of Ownership (%)			
Investor	**Name of subsidiaries**	**Business activity**	**March 31,2014**	**December 31,2014**	**March 31,2015**	**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 three-month period ended March 31, 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)

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

	March 31, 2015	December 31, 2015	March 31, 2016
Cash on hand	$ 339	315	367
Bank deposit	2,667,134	3,572,021	6,242,587
Time deposits	8,448,511	16,184,386	24,336,097
	$ 11,115,984	**19,756,722**	**30,579,051**

(2) Available-for-sale Financial Assets

	March 31, 2015	December 31, 2015	March 31, 2016
Publicly traded investment:			
Listed stocks	$ 97,748,607	79,288,300	83,577,325
Unpublicly traded investment:			
Private fund	-	-	2,422,626
	$ 97,748,607	**79,288,300**	**85,999,951**

(Continued)

(3) Notes Receivable, Accounts Receivable and Other Receivables

	March 31, 2015	December 31, 2015	March 31, 2016
Notes receivable	$ 987,988	1,914,785	1,634,772
Accounts receivable (including related parties)	11,589,906	9,489,427	10,430,185
Other receivables－current (including related parties)	29,837,525	16,914,860	12,967,291
Other receivables－non-current (listed under other assets)	1,446,633	296,866	167,234
Less : allowance for doubtful receivables	(5,174)	(3,741)	(5,237)
	$ 43,856,878	28,612,197	25,194,245

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	
March 31, 2015	$ 43,844,705	11,943	230	-	43,856,878
December 31, 2015	28,554,175	55,257	503	2,262	28,612,197
March 31, 2016	25,174,389	17,866	1,990	-	25,194,245

Movements of the allowance for doubtful receivables were as follows:

	For the three-month periods ended March 31,	
	2015	2016
Balance, beginning of period	$ 4,977	3,741
Provision of impairment	197	1,496
Balance, end of period	$ 5,174	5,237

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

	March 31, 2015	December 31, 2015	March 31, 2016
Finished goods	$ 10,886,256	9,264,696	8,913,041
Work in process	2,236,896	1,807,412	2,014,356
Raw materials	3,281,432	2,656,831	3,090,660
Supplies	727,876	793,883	676,858
Machinery and accessories in process	1,502,049	1,747,984	1,744,535
Others	398,955	425,882	444,070
Total	$ 19,033,464	16,696,688	16,883,520

(Continued)

Change of net realizable value of inventories

	For the three-month periods ended March 31,	
	2015	2016
Gain from recovery of inventories	$ 65,802	307,803

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:

	March 31, 2015	December 31, 2015	March 31, 2016
Associates			
Formosa Petrochemical Corporation	$ 69,399,141	75,919,673	78,673,499
Formosa Plastics Corp., U.S.A.	41,856,606	49,094,371	49,690,064
Formosa Heavy Industries Corp.	7,869,851	8,262,295	8,227,636
Sky Dragon Investment Limited	1,922,384	2,663,931	2,227,772
Mai Liao Power Corp.	11,794,070	11,324,458	11,563,705
Formosa Sumco Technology Corporation	5,820,685	5,848,130	5,890,389
Formosa Transportation Corp.	664,493	690,336	700,757
Formosa Fairway Corp.	76,179	81,091	79,981
Yi-Jih Development Corp.	62,281	62,526	62,583
Ya Tai Development Corp.	47,929	33,014	32,008
Formosa Automobile Corporation	-	-	-
Wha Ya Park Management Consulting Corporation Ltd.	2,156	1,861	1,904
Su-Hua Transportation Corporation	192,394	218,155	228,314
Formosa Environmental Technology Corporation	265,989	261,178	260,050
Formosa Resources Corporation	4,332,161	4,387,101	4,358,233
Formosa Group (Cayman) Limited	49,190	154,121	215,585
Formosa Group Investment (Cayman) Limited	382	15,817,802	-
Formosa Plastics Development Corporation Ltd.	13,606	10,662	9,791
Formosa Ha Tinh (Cayman) Limited	15,448,295	-	-
Formosa Olefins, L.L.C.	-	3,039,693	3,126,418
Joint ventures			
Formosa Asahi Spandex Co., Ltd.	1,231,249	1,365,900	1,242,329
Formosa Daikin Advanced Chemical Co., Ltd.	812,765	831,620	842,320
Formosa Mitsui Advanced Chemical Co., Ltd.	120,885	119,839	114,489
	$ 161,982,691	180,274,482	167,461,102

(Continued)

For the three-month periods ended March 31, 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 March 31, 2015	2016
Associates		
Formosa Petrochemical Corporation	$ 321,892	2,965,185
Formosa Plastics Corp., U.S.A.	1,391,438	1,781,400
Formosa Heavy Industries Corp.	85,853	(34,660)
Sky Dragon Investment Limited	(314,182)	(394,295)
Mai Liao Power Corp.	372,035	239,247
Formosa Sumco Technology Corporation	114,439	39,374
Formosa Transportation Corp.	11,941	10,422
Formosa Fairway Corp.	770	(1,110)
Yi-Jih Development Corp.	72	56
Ya Tai Development Corp.	(1,126)	(1,007)
Formosa Automobile Corporation	14,182	9,817
Wha Ya Park Management Consulting Corporation Ltd.	43	43
Su-Hua Transportation Corporation	11,826	10,160
Formosa Environmental Technology Corporation	(1,365)	(1,128)
Formosa Resources Corporation	(27,027)	(28,868)
Formosa Group (Cayman) Limited	27,636	67,199
Formosa Group Investment (Cayman) Limited	2	-
Formosa Plastics Development Corporation Ltd.	(953)	(870)
Formosa Ha Tinh (Cayman) Limited	(156,630)	-
Joint ventures		
Formosa Asahi Spandex Co., Ltd.	39,031	41,842
Formosa Daikin Advanced Chemical Co., Ltd.	13,463	10,699
Formosa Mitsui Advanced Chemical Co., Ltd.	(935)	(3,210)
	$ 1,902,405	4,710,296

(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 March 31, 2015	December 31, 2105	March 31, 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%

(Continued)

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

		March 31, 2015	December 31, 2015	March 31, 2016
Formosa Petrochemical Corporation	$	**187,864,607**	**214,379,262**	**251,650,783**

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

The financial information of Formosa Petrochemical Corporation was as follows:

		March 31, 2015	December 31, 2015	March 31, 2016
Current assets	$	231,452,469	230,637,376	240,352,502
Non-current assets		210,550,666	194,830,098	189,521,579
Current liabilities		(75,147,732)	(58,763,026)	(57,605,943)
Non-current liabilities		(125,321,535)	(99,980,734)	(95,836,827)
Net asset	$	**241,533,868**	**266,723,714**	**276,431,311**
Net asset contributed to non-controlling interest of Formosa Petrochemical Corporation	$	**35,349**	**34,688**	**36,267**
Net asset contributed to Formosa Petrochemical Corporation	$	**241,498,519**	**266,689,026**	**276,395,044**

		For the three-month periods ended March 31, 2015	2016
Revenue	$	**155,034,556**	**124,471,678**
Net income	$	1,122,927	10,447,660
Other comprehensive income		769,718	(740,063)
Total comprehensive income	$	**1,892,645**	**9,707,597**
Income allocated to non-controlling interest of Formosa Petrochemical Corporation	$	990	1,579
Income allocated to Formosa Petrochemical Corporation	$	**1,891,655**	**9,706,018**

		For the three-month periods ended March 31, 2015	2016
Beginning balance of investment in associate at January 1,	$	68,855,649	75,919,673
Total comprehensive income allocated to the Group		543,492	2,753,826
Total carrying amount of equity of the major associate	$	**69,399,141**	**78,673,499**

(Continued)

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

	March 31, 2015	December 31, 2015	March 31, 2016
Total carrying amount of equity of the minor associates	$ 90,418,651	102,037,450	86,588,465

	For the three-month periods ended March 31, 2015	2016
Attributable to the parent		
Net income	$ 1,528,954	1,695,780
Other comprehensive income	344,525	(874,711)
Total comprehensive income	$ 1,873,479	821,069

(c) Joint ventures

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

	March 31, 2015	December 31, 2015	March 31, 2016
Total carrying amount of equity of the minor joint ventures	$ 2,164,899	2,317,359	2,199,138

	For the three-month periods ended March 31, 2015	2016
Attributable to the parent		
Net income	$ 51,559	49,331
Other comprehensive income	-	-
Total comprehensive income	$ 51,559	49,331

(d) On January 13, 2016, for the purpose of reorganizing investment structure, the originally Company owned Formosa Group Investment (Cayman) Limited underwent liquidation. 25% of its 49.385% ownership of Formosa Ha Tinh (Cayman) Limited was transferred to Formosa Plastics International (Cayman) Limited as the consideration of the acquisition of commons stock newly issued by Formosa Plastics International (Cayman) Limited. After the reorganization, the Group withheld 11.43% of the ownership of Formosa Ha Tinh (Cayman) Limited due to lack of significant influence; therefore, the securities were recognized under financial assets carried at cost－non-current as of March 31, 2016.

(e) 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 March 31, and December 31, 2015 and March 31, 2016.

(Continued)

(6) Property, Plant and Equipment

The cost and depreciation of the property, plant and equipment of the Group as of and for the three-month periods ended March 31, 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		-	1,092	24,801	25,998	813,157	865,048
Disposals		(1,507)	-	(119,031)	(17,486)	-	(138,024)
Reclassification		-	5,034	1,809,339	57,984	(1,484,203)	388,154
Effect of exchange rate change		-	(68,103)	(413,518)	(20,163)	(255,945)	(757,729)
Balance as of March 31, 2015	**$**	**6,677,913**	**25,925,160**	**156,114,251**	**6,032,730**	**21,345,138**	**216,095,192**
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		-	-	46,134	14,365	531,019	591,518
Disposals		(14)	-	(121,150)	(15,386)	-	(136,550)
Reclassification		-	-	2,304,954	73,119	(2,360,357)	17,716
Effect of exchange rate change		-	86,318	(701,221)	(27,217)	(189,978)	(832,098)
Balance as of March 31, 2016	**$**	**6,684,282**	**27,203,331**	**167,640,806**	**6,189,409**	**12,203,738**	**219,921,566**
Accumulated depreciation:							
Balance as of January 1, 2015	$	-	12,178,285	115,117,081	4,444,750	-	131,740,116
Depreciation for the period		-	223,876	1,591,670	80,122	-	1,895,668
Disposals		-	-	(119,031)	(17,300)	-	(136,331)
Reclassification		-	-	(1,192)	1,678	-	486
Effect of exchange rate change		-	(17,221)	(180,949)	(11,869)	-	(210,039)
Balance as of March 31, 2015	**$**	**-**	**12,384,940**	**116,407,579**	**4,497,381**	**-**	**133,289,900**
Balance as of January 1, 2016	$	-	13,057,942	121,074,584	4,687,125	-	138,819,651
Depreciation for the period		-	229,820	1,757,509	79,988	-	2,067,317
Disposals		-	-	(120,974)	(14,440)	-	(135,414)
Reclassification		-	-	(78)	623	-	545
Effect of exchange rate change		-	(26,112)	(274,814)	(17,217)	-	(318,143)
Balance as of March 31, 2016	**$**	**-**	**13,261,650**	**122,436,227**	**4,736,079**	**-**	**140,433,956**
Carrying amounts:							
Balance as of March 31, 2015	**$**	**6,677,913**	**13,540,220**	**39,706,672**	**1,535,349**	**21,345,138**	**82,805,292**
Balance as of December 31, 2015	**$**	**6,684,296**	**14,059,071**	**45,037,505**	**1,457,403**	**14,223,054**	**81,461,329**
Balance as of March 31, 2016	**$**	**6,684,282**	**13,941,681**	**45,204,579**	**1,453,330**	**12,203,738**	**79,487,610**

(a) As of March 31, and December 31, 2015 and March 31, 2016, the Group's parcels of land with title temporarily registered under the names of third parties for trust purpose had carrying value of $34,407, $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 March 31, and December 31, 2015 and, December 31, 2016, are described in Note 8.

(Continued)

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(7) Short-term Borrowings

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

		March 31, 2015	December 31, 2015	March 31, 2016
Unsecured short-term borrowings	$	10,610,931	11,985,013	16,497,345
Employees' savings		312,072	414,640	415,571
Total	$	**10,923,003**	**12,399,653**	**16,912,916**
Interest rate		**0.696%~2.200%**	**0.818%~4.600%**	**1.010%~1.267%**

(b) Issuance and redemption of loans

		For the three-month periods ended March 31, 2015	2016
Balance as of January 1,	$	13,767,560	12,399,653
New issuance during the period		22,562,214	35,687,540
Repayments during the period		(25,403,685)	(31,158,027)
Effect of exchange rate change		(3,086)	(16,250)
Balance as of March 31,	$	**10,923,003**	**16,912,916**
Interest Rate		**0.696%~2.200%**	**1.010%~1.267%**

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

(8) Short-term Notes and Bills Payable

	March 31, 2015 Institutions	Interest rate	Amount
Short-term notes and bills payable	-	-	$ -

	December 31, 2015 Institutions	Interest rate	Amount
Short-term notes and bills payable	-	-	$ -

	March 31, 2016 Institutions	Interest rate	Amount
Short-term notes and bills payable	Cathay United Bank	0.421%	$ 3,000,000
Short-term notes and bills payable	Union Bank of Taiwan	0.421%	1,000,000
			4,000,000
Less: Discount on short-term notes and bills payable			(1,753)
Total			$ 3,998,247

(Continued)

(9) Long-term Loans

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

	Mach 31, 2015	December 31, 2015	March 31, 2016
Unsecured bank loans	$ 16,259,464	9,447,666	9,175,699
Secured bank loans	10,563,712	10,277,132	10,278,272
Less: Current portion of long-term loans	(2,008,253)	(1,627,254)	(2,496,272)
Total	$ 24,814,923	18,097,544	16,957,699
Repayment period	2015~2021	2016~2021	2017~2021
Interest rate	1.186%~1.649%	1.184%~1.670%	1.184%~1.821%

(b) Issuance and redemption of loans

	For the three-month periods ended March 31,	
	2015	2016
Balance as of January 1,	$ 28,460,640	19,724,798
New issuance during the period	3,100,000	-
Repayments during the period	(4,737,464)	(57,143)
Effect of exchange rate change	-	(213,684)
Balance as of March 31,	$ 26,823,176	19,453,971
Interest Rate	1.186%~1.649%	1.184%~1.821%

(c) Secured bank loans

(i) In order to raise funds to finance the Sixth Naphtha Cracker project and the construction of related factories, the Group signed a syndicated loan agreement with Mega International Commercial Bank (formerly Chiao Tung Bank), the lead bank of the syndicated loan, and other banks on April 28, 1995. The details of the loan agreement are as follows:

I. Credit line: $30,769,000 and US$242,000 thousand.
II. Interest rate: as settled with each participating bank.
III. Period: 10 to 15 years.
IV. Collateral: the acquired land, buildings and machinery financed by the loan.

V. The financial covenants under the loan agreement include the requirement to maintain certain financial ratios based on the audited 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%, except for the syndicated loan of Sixth Naphtha Cracker project, which is not lower than 120%.

(Continued)

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

VI. As of March 31, 2016, the Company had repaid all its loans according to the contract.

(ii) 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 March 31, 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 March 31, 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

	March 31, 2015	December 31, 2015	March 31, 2016
Domestic unsecured nonconvertible corporate bonds	$ 59,915,273	51,938,331	51,945,839
Less: current portion	(7,994,987)	(14,635,089)	(14,621,815)
Total	**$ 51,920,286**	**37,303,242**	**37,324,024**
Expiry	**2015~2026**	**2016~2026**	**2016~2026**

(Continued)

	The first domestic unsecured nonconvertible corporate bond in 2010	**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	$6,000,000	$4,000,000	$7,000,000	$5,000,000
2015.03.31Ending balance	2,999,467	5,994,691	3,996,349	6,992,454	4,993,750
2015.03.31Current portion	2,999,467	2,997,346	1,998,174	-	-
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
2016.03.31Ending balance	-	2,996,655	1,997,184	6,994,679	4,994,975
2016.03.31Current portion	-	2,996,655	1,997,184	2,495,169	1,046,169
Issuance date	June 21, 2010	November 16, 2011	December 15, 2011	May 22, 2012	September 12, 2012
Coupon rate	1.55%	1.34%	1.35%	1.26%、1.42%	1.28%、1.40%
Interest payment date	June 21	November 16	December 15	May 22	September 12
Repayment method	Payable in 2 equal installments for each different coupon rate in 2014 and 2015, 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 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
2015.03.31Ending balance	8,987,302	11,481,255	8,483,235	5,986,770
2015.03.31Current portion	-	-	-	-
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	-	-
2016.03.31Ending balance	8,990,888	11,485,822	8,492,471	5,993,165
2016.03.31Current portion	1,093,808	4,992,830	-	-
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.

(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.

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

	For the three-month periods ended March 31,	
	2015	**2016**
Operating cost	$ 42,861	36,874
Selling expenses	$ 1,616	1,974
Administrative expenses	$ 25,231	20,783

(b) Defined contribution plan

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

	For the three-month periods ended March 31,	
	2015	**2016**
Operating cost	$ 39,139	42,751
Selling expenses	$ 1,814	2,058
Administrative expenses	$ 22,731	22,693

(12) Income Tax

(a) The details of income tax expense for the three-month periods ended March 31, 2015 and 2016 were as follows:

	For the three-month periods ended March 31,	
	2015	**2016**
Current income tax expense	$ 512,124	699,863
Deferred tax expense	296,175	240,474
Income tax expense	$ 808,299	940,337

(b) The income tax expense related to components of other comprehensive income for the three-month periods ended March 31, 2015 and 2015 was as follows:

	For the three-month periods ended March 31,	
	2015	**2016**
Items that could be reclassified subsequently to profit:		
Exchange differences on translation of foreign financial statements	$ (121,236)	355,712

(Continued)

(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:

	March 31, 2015	December 31, 2015	March 31, 2016
Undistributed earnings in 1997 and prior years	$ 432,111	432,111	432,111
Undistributed earnings in 1998 and thereafter	49,277,815	58,372,020	64,084,844
	$ 49,709,926	58,804,131	64,516,955
Imputation credit account	$ 3,152,638	2,875,571	2,896,440

	2014 (actual)	2015 (estimated)
Tax deduction ratio for earnings distribution to ROC residents	9.81%	9.27%

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.

(13) Equity

Except as described below, there was no material change in equity for the three-month periods ended March 31, 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:

	March 31, 2015	December 31, 2015	March 31, 2016
Paid-in capital in excess of par value	$ 8,130,081	8,130,081	8,130,081
Overdue unpaid directors' remuneration and dividends	83,281	83,121	83,102
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	50,843	216,747	216,747
	$ 11,277,971	11,443,715	11,443,696

(Continued)

(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.

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 March 31, and December 31, 2015 and March 31, 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.

(Continued)

(ii) Earnings distribution

The Company appropriates 0.1% to 1% of the distributable earnings after dividends as employees' bonuses, which are recognized as the Company's expenses in the year earnings are incurred. These bonuses and remuneration are charged to expense in the year when those earnings arise. For the three-month periods ended March 31, 2016, the estimated employee bonuses amounted to $8,511.

Employees' bonuses amounted to $26,686 in 2014. The aforementioned earnings distributions did not differ from those proposed by the board of directors and those estimated and accrued in the financial statements in 2013.

The appropriations of earnings in 2015 were approved in the board of directors' meeting on March 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:

	For the years ended December 31,			
	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

(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	(902,948)	-	-
-associates	(35,629)	-	-
Unrealized gains (losses) on available-for-sale financial assets			
-the Group	-	3,211,590	-
-associates	-	561,247	40,508
Balance at March 31, 2015	$ 4,478,207	80,090,299	37,412

(Continued)

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	Exchange differences on translation of foreign operations	Unrealized gains (losses) on available-for-sale financial assets	Cash flow hedge
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	(1,908,270)	-	-
-associates	(127,627)	-	-
Unrealized gains (losses) on available-for-sale financial assets			
-the Group	-	4,220,102	-
-associates	-	(93,825)	12,975
Balance at March 31, 2016	**$ 5,146,641**	**61,545,648**	**95,251**

(14) Earnings Per Share

The basic earnings per share were calculated as follows:

	For the three-month periods ended March 31, 2015	2016
Net income attributable to the Group	**$ 3,643,685**	**5,712,824**
Weighted-average number of ordinary shares outstanding (basic)	**6,365,741**	**6,365,741**
Basic earnings per share (dollars)	**$ 0.57**	**0.90**

(15) Revenue

For the three-month periods ended March 31, 2015 and 2016, the Group's details of revenue were as follows:

	For the three-month periods ended March 31, 2015	2016
Sale of goods	$ 46,975,653	42,105,801
Construction revenue	251,316	274,856
Others	470,143	401,712
Total	**$ 47,697,112**	**42,782,369**

(Continued)

(16) Employee Compensations

In accordance with the Amended Company Act of May, 2015, employee bonuses are no longer subject to earnings distribution. According to the Company's articles of incorporation approved by the board of directors on December 25, 2015, which has yet to be approved at shareholder's meeting, after deducting the accumulated deficits, the remaining portion, if any, is to be distributed upon a proposal by the board of directors, which is to be approved at the stockholders' meeting, with the employee bonuses of 0.05% to 0.5%. For the three-month period ended March 31, 2016, the estimated amount of employee compensations amounted to $ 11,643 thousand, which was recognized under cost of goods sold and operating expenses for the year ended December 31, 2015.

The employee compensations amounted to $ 49,507 thousand, which were recognized under cost of goods sold and operating expenses for the year ended December 31, 2015, and were approved by the board of directors on March 17, 2016, but has yet to be approved at shareholder's meeting. Related information can be accessed from the Market Observation Post System on the web site. The differences between the actual amounts of employee compensations and estimation of employee compensations, if any, will be treated as changes in accounting estimates and adjusted in profit or loss in 2016.

(17) Non-operating Income and Expenses

(a) Other income

For the three-month periods ended March 31, 2015 and 2016, the components of other income were as follows:

	For the three-month periods ended March 31,	
	2015	**2016**
Interest income	$ 80,637	75,784
Rental income	30,372	28,327
	$ 111,009	**104,111**

(Continued)

(b) Other gains and losses

For the three-month periods ended March 31, 2015 and 2016, the components of other gains and losses were as follows:

	For the three-month periods ended March 31,	
	2015	**2016**
Gain (loss) on disposal of property, plant and equipment	$ 5,705	(129)
Gain on disposal of investments	159,813	-
Foreign exchange loss, net	(359,944)	(694,794)
Other gains	272,666	136,183
Other losses	(217,441)	(156,786)
	$ 139,201	**(715,526)**

(c) Finance expenses

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

	For the three-month periods ended March 31,	
	2015	**2016**
Interest expense	$ 428,141	358,633
Less: capitalized interest	(66,929)	(33,449)
	$ 361,212	**325,184**
Capitalized interest rate	**1.36%~1.53%**	**0.88%~3.05%**

(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:

	March 31, 2015			December 31, 2015			March 31, 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	$ 805,554	31.4010	25,295,201	795,960	33.0660	26,319,213	1,070,086	32.2820	34,544,516
EUR	41	33.6720	1,381	274	36.0384	9,875	264	36.6394	9,673
JPY	137,509	0.2616	35,972	172,032	0.2736	47,068	168,097	0.2860	48,076
Financial liabilities									
Monetary items									
USD	526,153	31.4010	16,521,730	363,433	33.0660	12,017,276	620,695	32.2820	20,037,276
EUR	45	33.6720	1,515	435	36.0384	15,677	76	36.6394	2,785
JPY	89,277	0.2616	23,355	141,594	0.2736	38,740	117,013	0.2860	33,466
HKD	-	-	-	-	-	-	18	4.0360	73
GBP	7	46.3470	324	-	-	-	5	46.3470	232
CHF	19	32.3480	615	-	-	-	156	32.3480	5,046
CAD	8	24.6710	197	-	-	-	-	-	-

(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 NTD against the USD, EUR, JPY, SGD, GBP, CHF and CAD as of March 31, 2015 and 2016 would have decreased the net income after tax by $87,848 and increased the net income after tax by $145,234 for the three-month periods ended March 31, 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 $359,944 and $694,794 for the three-month periods ended March 31, 2015 and 2016, respectively.

(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)

(Continued)

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	March 31, 2015				
		Fair value			
	Carrying value	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets					
Listed stocks	$ 97,748,607	97,478,607	-	-	97,748,607
Loans and receivables					
Cash and cash equivalents	$ 11,115,984	-	-	-	-
Notes and accounts receivable (including related parties)	12,572,720	-	-	-	-
Other receivables (including related parties)	31,284,158	-	-	-	-
Subtotal	54,972,862	-	-	-	-
Total	$ 152,721,469	97,748,607	-	-	97,748,607
Financial liabilities measured at amortized cost					
Bonds payable	$ 59,915,273	-	-	-	-
Short-term loans	10,923,003	-	-	-	-
Long-term loans (including current portion)	26,823,176	-	-	-	-
Loans from related parties	652,071	-	-	-	-
Notes and accounts payable (including related parties)	10,671,002	-	-	-	-
Other payables (including related parties)	3,275,228	-	-	-	-
Total	$ 112,259,753	-	-	-	-

	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
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	-	-	-	-

(Continued)

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	March 31, 2016				
		Fair value			
	Carrying value	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets					
Listed stocks	$ 83,577,325	83,577,325	-	-	83,577,325
Private fund	2,422,626	-	2,422,626	-	2,422,626
Subtotal	85,999,951	83,577,325	2,422,626	-	85,999,951
Loans and receivables					
Cash and cash equivalents	30,579,051	-	-	-	-
Notes and accounts receivable (including related parties)	12,059,720	-	-	-	-
Other receivables (including related parties)	13,134,525	-	-	-	-
Subtotal	55,773,296	-	-	-	-
Total	$ 141,773,247	83,577,325	2,422,626	-	85,999,951
Financial liabilities measured at amortized cost					
Bonds payable	$ 51,945,839	-	-	-	-
Short-term notes and bills payable	3,998,247	-	-	-	-
Short-term loans	16,912,916	-	-	-	-
Long-term loans (including current portion)	19,453,971	-	-	-	-
Loans from related parties	497,351	-	-	-	-
Notes and accounts payable (including related parties)	8,972,486	-	-	-	-
Other payables (including related parties)	6,807,436	-	-	-	-
Total	$ 108,588,246	-	-	-	-

(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.

(Continued)

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 three-month periods ended March 31, 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.

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 For the three-month periods ended March 31,		Accounts receivable－related parties		
	2015	2016	March 31, 2015	December 31, 2015	March 31, 2016
Associates	$ 2,106,759	2,233,851	1,183,741	1,106,025	1,224,260
Joint ventures	130,966	119,887	49,723	48,604	45,590
Other related parties	6,982,378	4,901,210	3,172,002	2,374,530	2,036,126
Total	$ 9,100,103	7,254,948	4,405,466	3,529,159	3,305,976

(Continued)

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 For the three-month periods ended March 31,		Accounts payable－related parties		
	2015	2016	March 31, 2015	December 31, 2015	March 31, 2016
Associates	$ 20,359,641	17,221,193	8,628,329	6,436,431	6,654,662
Joint ventures	7,711	5,909	2,975	2,383	1,852
Other related parties	851,279	584,643	488,284	210,420	242,475
Total	**$ 21,218,631**	**17,811,745**	**9,119,588**	**6,649,234**	**6,898,989**

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) On January 13, 2016, for the purpose of reorganizing investment structure. For related information, please refer to Note 6(5).

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

	Purchase property, plant and equipment for the three-month periods ended March 31,		Other payables–related parties		
	2015	2016	March 31, 2015	December 31, 2015	March 31, 2016
Other related parties	**$ 62,545**	**19,744**	**46,188**	**7,825**	**3,246**

(Continued)

(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)		
	March 31, 2015	**December 31, 2015**	**March 31, 2016**
Associates	$ 6,131,555	689,000	230,000
Joint ventures	46,002	45,829	44,985
Other related parties	11,036,476	8,464,352	8,101,041
	$ 17,214,033	**9,199,181**	**8,376,026**

As of March 31, and December 31, 2015 and March 31, 2016, the interest revenue from the abovementioned transactions amounted to $ 18,459, $ 13,291 and $ 11,863, respectively, which was recognized as other receivables–related parties.

	Due from related parties (recognized as other payables–related parties)		
	March 31, 2015	**December 31, 2015**	**March 31, 2016**
Other related parties	**$ 652,071**	**1,441,663**	**497,351**

As of March 31, and December 31, 2015 and March 31, 2016, the interest expense from the abovementioned transactions amounted to $ 3,500, $ 2,446 and $ 2,998 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:

	March 31, 2015	**December 31, 2015**	**March 31, 2016**
Associates	**$ 17,280,792**	**42,696,473**	**41,684,133**

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

	March 31, 2015		**December 31, 2015**		**March 31, 2016**	
	USD	**CNY**	**USD**	**CNY**	**USD**	**CNY**
Associates	**$ 1,086,000**	**1,658,000**	**1,054,000**	**1,130,000**	**1,054,000**	**-**

(Continued)

(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		
	March 31, 2015	December 31, 2015	March 31, 2016
Other related parties	$ -	17	229

(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		
	March 31, 2015	December 31, 2015	March 31, 2016
Associates	$ -	1,017,859	1,004,356
Other related parties	309,096	334,483	305,095
	$ 309,096	1,352,342	1,309,451

(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		
	March 31, 2015	December 31, 2015	March 31, 2016
Other related parties	$ 11,567,476	6,602,827	3,331,368

(ii) As of March 31, and December 31, 2015 and March 31, 2015, the Group paid the down payments on behalf of associated investee for the purchase of equipment of $1,446,633, $296,866 and $167,234, respectively, which were accounted for as prepayments (classified under other assets).

(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 March 31, 2015	For the three-month periods ended March 31, 2016
Associates	$ 10,022	10,070
Joint ventures	1,792	2,792
Other related parties	10,127	9,573
	$ 21,941	22,435

(3) Compensation of key management

The compensation to key management was as follows:

	For the three-month periods ended March 31, 2015	For the three-month periods ended March 31, 2016
Short-term employee benefits	$ 14,373	14,693

8. Pledged Properties

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

Classification of assets	Nature of Pledged Assets	March 31, 2015	December 31, 2015	March 31, 2016
Fixed assets	Property plant and equipment	$ 3,002,788	2,687,219	2,587,042
Refundable deposits	Certificate of deposit	34,625	34,637	34,637
Investments accounted for using equity method	Stocks of Formosa Petrochemical Corp.	7,591,384	8,371,804	8,675,473
		$ 10,628,797	11,093,660	11,297,152

9. Commitments and Contingencies

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

	March 31, 2015	December 31, 2015	March 31, 2016
Endorsements and guarantees	$ 17,280,792	42,696,473	41,684,133

(Continued)

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

	March 31, 2015	December 31, 2015	March 31, 2016
Unused outstanding letters	$ 452,743	1,033,916	708,666

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

	March 31, 2015	December 31, 2015	March 31, 2016
USD	$ 1,086,000	1,054,000	1,054,000
CNY	$ 1,658,000	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 March 31,							
	2015				2016			
	Operating costs	Operating expenses	Non- operating expenses	Total	Operating costs	Operating expenses	Non- operating expenses	Total
Employee benefits								
Salaries	1,190,852	821,240	-	2,012,092	1,249,663	825,460	-	2,075,123
Labor and health insurance	85,042	55,719	-	140,761	86,652	54,242	-	140,894
Pension	82,000	51,392	-	133,392	79,625	47,508	-	127,133
Others	29,468	17,115	-	46,583	47,508	22,974	-	70,482
Depreciation expenses	1,803,950	91,718	-	1,895,668	1,972,666	94,651	-	2,067,317
Amortization expenses	229,541	2,617	9,007	241,165	154,249	2,646	8,207	165,102

(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	$ 6,000,000	$ 6,000,000	$ -	1.474%	2	-	Short-term financing	-	-	-	$ 59,050,213	$ 118,100,426	
0	The Company	Formosa Chemicals & Fibre Corp.	Due from related parties	Yes	6,000,000	6,000,000	-	1.474%	2	-	Short-term financing	-	-	-	59,050,213	118,100,426	
0	The Company	Nan Ya plastic Corp.	Due from related parties	Yes	6,000,000	6,000,000	-	1.474%	2	-	Short-term financing	-	-	-	59,050,213	118,100,426	
0	The Company	Formosa Heavy Industries Corp.	Due from related parties	Yes	6,000,000	6,000,000	-	1.474%	2	-	Short-term financing	-	-	-	59,050,213	118,100,426	
0	The Company	Formosa Sumco Technology Corp.	Due from related parties	Yes	1,500,000	1,500,000	-	1.474%	2	-	Short-term financing	-	-	-	59,050,213	118,100,426	
0	The Company	Formosa Plastic Transportation Corp.	Due from related parties	Yes	300,000	300,000	150,000	1.474% ~1.497%	2	-	Short-term financing	-	-	-	59,050,213	118,100,426	
0	The Company	Nan Ya Technology Corp.	Due from related parties	Yes	5,900,000	5,900,000	4,500,000	1.474% ~1.497%	2	-	Short-term financing	-	-	-	59,050,213	118,100,426	
0	The Company	Asian Pacific Investment Corp.	Due from related parties	Yes	680,000	680,000	340,000	1.474% ~1.497%	2	-	Short-term financing	-	-	-	59,050,213	118,100,426	
0	The Company	Formosa Ha Tinh (Cayman) Limited	Due from related parties	Yes	3,630,000	3,630,000	-	1.474%	2		Short-term financing	-	-	-	59,050,213	118,100,426	
0	The Company	Formosa Ha Tinh (Cayman) Limited Taiwan Branch	Due from related parties	Yes	777,000	250,000	80,000	1.474% ~1.497%	2	-	Short-term financing	-	-	-	59,050,213	118,100,426	
0	The Company	Formosa Group Ocean Marine Corp.	Due from related parties	Yes	5,403,041	5,403,041	3,261,041	1.474% ~1.497%	2	-	Short-term financing	-	-	-	59,050,213	118,100,426	

(Continued)

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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			
1	Formosa Industries (Ningbo) Co., Ltd.	Formosa Polyethylene (Ningbo) Co., Ltd.	Due from related parties	Yes	$ 564,548 (CNY113,000)	$ 564,548 (CNY 113,000)	$ 564,816 (CNY 113,000)	3.045%	2	-	Short-term financing	-	-	-	$ 2,540,607	$ 2,540,607	Note 4, 5
2	Formosa Acrylic Esters (Ningbo) Co., Ltd.	Formosa Super Absorbent Polymer (Ningbo) Co., Ltd.	Due from related parties	Yes	2,065,846 (CNY 413,500)	2,065,846 (CNY 413,500)	2,066,828 (CNY 413,500)	3.045%	2	-	Short-term financing	-	-	-	4,737,240	4,737,240	Note 4, 5
2	Formosa Acrylic Esters (Ningbo) Co., Ltd.	Formosa Polyethylene (Ningbo) Co., Ltd.	Due from related parties	Yes	399,680 (CNY 80,000)	399,680 (CNY 80,000)	399,870 (CNY 80,000)	3.045%	2	-	Short-term financing	-	-	-	4,737,240	4,737,240	Note 4, 5
2	Formosa Acrylic Esters (Ningbo) Co., Ltd.	Formosa Mitsui Advanced Chemical Co., Ltd.	Due from related parties	Yes	44,964 (CNY 9,000)	44,964 (CNY 9,000)	44,985 (CNY 9,000)	3.745%	2	-	Short-term financing	-	-	-	4,737,240	4,737,240	Note 4
3	Formosa Electronic (Ningbo) Co., Ltd.	Formosa Polyethylene (Ningbo) Co., Ltd.	Due from related parties	Yes	123,901 (CNY 24,800)	123,901 (CNY 24,800)	123,960 (CNY 24,800)	3.045%	2	-	Short-term financing	-	-	-	135,747	135,747	Note 4, 5
4	Formosa Polypropylene (Ningbo) Co., Ltd.	Formosa Super Absorbent Polymer (Ningbo) Co., Ltd.	Due from related parties	Yes	969,224 (CNY 194,000)	969,224 (CNY 194,000)	969,685 (CNY 194,000)	3.045%	2	-	Short-term financing	-	-	-	3,104,385	3,104,385	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 March 31, 2015.
(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.

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 4.996 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 4.99837 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 March 31, 2015	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	$ 191,913,192	$ 43,450,563	$41,684,133	$41,684,133	-	14.12%	$ 383,826,383	N	N	N
0	The Company	Formosa Ha Tinh (Cayman) Limited	6	191,913,192	12,916,674	12,916,674	-	-	-	383,826,383	N	N	N

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	2016.03.31				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%	$ 2,730,079	Note 2
The Company	Mai-Liao Harbor Administration Corp.	Other related parties	Financial assets carried at cost	39,574	539,486	17.99%	907,559	Note 2
The Company	Taiwan Aerospace Corp.	-	Financial assets carried at cost	1,103	11,026	0.81%	12,223	Note 2
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%	13,609	Note 2
The Company	Formosa Plastics Development Corp.	Other related parties	Financial assets carried at cost	13,639	90,010	18.00%	223,489	Note 2
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	2,340	13,331	12.50%	42,763	Note 2
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%	9,122,709	Note 2
The Company	Formosa Plastics Maritime Corp.	Other related parties	Financial assets carried at cost	354	1,691	18.11%	53,339	Note 2
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%	21,930	Note 2
The Company	Mega Growth Venture Capital Co., Ltd.	-	Financial assets carried at cost	2,500	25,000	2.50%	25,000	
Formosa Plastics Corp. (Cayman Ltd)	Swancor (Jiangsu) Carbon Fiber Composite Co., Ltd.	-	Financial assets carried at cost	-	69,729	18.00%	-	Note 2
Formosa Plastics International (Cayman) Limited	Formosa Ha Tinh (Cayman) Limited	Other related parties	Financial assets carried at cost	508,237	15,442,403	11.43%	15,449,801	Note 2
The Company	Nan Ya Plastics Corporation	Other related parties	Available-for-sale financial asset－current	783,357	52,954,924	9.88%	52,954,924	
The Company	Formosa Chemicals & Fibre Corporation	Other related parties	Available-for-sale financial asset－current	198,744	15,939,264	3.39%	15,939,264	
The Company	Nan Ya Technology Corp.	Other related parties	Available-for-sale financial asset－current	367,538	14,683,137	15.13%	14,683,137	
The Company	Mega Prosperity Private Placement Fund	Other related parties	Available-for-sale financial asset－current	7,495	2,422,626	25.00%	2,422,626	

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)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(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	15,442,759 (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	15,442,403 (Note 4)
The Company	Mega Prosperity Private Placement Fund	Available-for-sale financial asset－current	-	-	-	-	7,495	2,491,550	-	-	-	-	7,495	2,422,626 (Note5)

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 $(375,043).

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 $(642,437).

Note 5: The ending balance includes the evaluation adjustment of ending exchange rate of $(68,924).

(v) Information on the acquisition of real estate which exceeds $300 million or 20% of the paid-in capital for the year ended March 31, 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 March 31, 2016: None.

(Continued)

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)	$ (2,730,987)	(7.57) %	Before the 27th of the following month	-		$ 1,000,552	9.86%	
The Company	Formosa Chemicals & Fiber Corporation	〃	〃	(1,299,450)	(3.60) %	Before the 27th of the following month	-		423,033	4.17%	
The Company	Formosa Petrochemical Corporation	Associates	〃	(1,499,440)	(4.16) %	Before the 27th of the following month	-		576,080	5.68%	
The Company	Formosa Daikin Advanced Chemical Co., Ltd.	Joint ventures	〃	(118,215)	(0.33) %	Before the 27th of the following month	-		44,019	0.43%	
The Company	Formosa Industries (Ningbo) Co., Ltd.	Parent-subsidiary	(Sales)	(970,965)	(2.69) %	O/A 90 days	-		949,195	9.35%	Note
The Company	Formosa Acrylic Esters (Ningbo) Co., Ltd.	Parent-subsidiary	〃	(550,321)	(1.53) %	O/A 90 days	-		75,540	0.74%	Note
The Company	Formosa ABS Plastic (Ningbo) Co., Ltd.	Other related parties	〃	(294,083)	(0.82) %	O/A 60 days	-		188,672	1.86%	
The Company	Formosa Plastics Corp., U.S.A.	Associates	〃	(652,409)	(1.81) %	O/A 90 days	-		641,684	6.32%	
Formosa Acrylic Esters (Ningbo) Co., Ltd.	Formosa Super Absorbent Polymer (Ningbo) Co., Ltd.	Subsidiaries	〃	(204,750)	(9.13) %	Before the 90th of the following month	-		87,721	4.18%	Note
The Company	Nan Ya Plastics Corporation	Other related parties	Purchase	196,339	0.82%	Before the 27th of the following month	-		(78,956)	(1.00)%	
The Company	Formosa Chemicals & Fiber Corporation	Other related parties	〃	378,703	1.58%	Before the 27th of the following month	-		(162,940)	(2.06)%	
The Company	Formosa Petrochemical Corporation	Associates	〃	17,117,134	71.44%	Before the 27th of the following month	-		(6,648,669)	(84.02)%	
The Company	Formosa Heavy Industries Corp.	Associates	〃	104,059	0.43%	Before the 27th of the following month	-		(5,994)	(0.08)%	
Formosa Acrylic Esters (Ningbo) Co., Ltd.	The Company	Parent-subsidiary	〃	1,242,673	65.07%	O/A 90 days	-		(376,791)	(63.67)%	Note、Note 1
Formosa Polypropylene (Ningbo) Co., Ltd.	The Company	Parent-subsidiary	〃	2,073,684	69.21%	O/A 90 days	-		(557,377)	(72.04)%	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)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(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	$ 1,000,552	11,65%	-	-	$ -	-	
The Company	Formosa Chemicals & Fiber Corporation	〃	423,033	11.47%	-	-	-	-	
The Company	Formosa Petrochemical Corporation	Associates	576,080	11.05%	-	-	-	-	
The Company	Formosa Industries (Ningbo) Co., Ltd.	Parent-subsidiary	949,195	4.37%	-	-	-	-	Note
The Company	Formosa ABS Plastics (Ningbo) Co., Ltd.	Other related parties	188,672	3.14%	-	-	-	-	
The Company	Formosa Plastics Corp., U.S.A.	Associates	641,684	4.25%	-	-	-	-	
The Company	Nan Ya Technology Corp.	Other related parties	4,500,000	-	-	-	-	-	
The Company	Asian Pacific Investment Corp.	〃	340,000	-	-	-	-	-	
The Company	Formosa Group Ocean Marine Corp.	〃	3,261,041	-	-	-	-	-	
The Company	Formosa Plastic Transportation Corp.	Associates	150,000	-	-	-	-	-	
The Company	Formosa Acrylic Esters (Ningbo) Co., Ltd.	Parent-subsidiary	301,251	-	-	-	-	-	Note
The Company	Formosa Polypropylene (Ningbo) Co., Ltd.	〃	557,377	-	-	-	-	-	Note
The Company	Fujian Fuxin Special Steel Co., Ltd	Associates	401,569	-	-	-	-	-	
The Company	Formosa Ha Tinh Steel Corporation	〃	3,097,033	-	-	-	-	-	
Formosa Industries (Ningbo) Co., Ltd.	Formosa Polyethylene (Ningbo) Co., Ltd.	Subsidiaries	564,816	-	-	-	-	-	Note
Formosa Acrylic Esters (Ningbo) Co., Ltd.	Formosa Super Absorbent Polymer (Ningbo) Co., Ltd.	〃	2,066,828	-	-	-	-	-	Note
Formosa Acrylic Esters (Ningbo) Co., Ltd.	Formosa Polyethylene (Ningbo) Co., Ltd.	〃	399,870	-	-	-	-	-	Note
Formosa electronic (Ningbo) Co., Ltd.	Formosa Polyethylene (Ningbo) Co., Ltd.	〃	123,960				-	-	Note
Formosa Polypropylene (Ningbo) Co., Ltd.	Formosa Polyethylene (Ningbo) Co., Ltd.	〃	969,685	-	-	-	-	-	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	$ 970,965	O/A 90 days	2.27%
0	The Company	Formosa Industries (Ningbo) Co., Ltd.	1	Accounts receivable	949,195	〃	0.22%
0	The Company	Formosa Acrylic Esters (Ningbo) Co., Ltd.	1	Sales	550,321	〃	1.29%
0	The Company	Formosa Acrylic Esters (Ningbo) Co., Ltd.	1	Accounts receivable	75,540	〃	0.02%
0	The Company	Formosa Acrylic Esters (Ningbo) Co., Ltd.	1	Other receivables－related parties	301,251	O/A 60 days	0.07%
0	The Company	Formosa Polypropylene (Ningbo) Co., Ltd.	1	Other receivables－related parties	557,377	〃	0.13%
1	Formosa Acrylic Esters (Ningbo) Co., Ltd.	Formosa Super Absorbent Polymer (Ningbo) Co., Ltd.	3	Sales	204,750	Before the 90th of the following month	0.48%
1	Formosa Acrylic Esters (Ningbo) Co., Ltd.	Formosa Super Absorbent Polymer (Ningbo) Co., Ltd.	3	Accounts receivable	87,721	〃	0.02%
1	Formosa Acrylic Esters (Ningbo) Co., Ltd.	Formosa Polyethylene (Ningbo) Co., Ltd.	3	Due from related parties	399,870	-	0.09%
1	Formosa Acrylic Esters (Ningbo) Co., Ltd.	Formosa Super Absorbent Polymer (Ningbo) Co., Ltd.	3	Due from related parties	2,066,828	-	0.47%
2	Formosa Industries (Ningbo) Co., Ltd.	Formosa Polyethylene (Ningbo) Co., Ltd.	3	Due from related parties	564,816	-	0.13%
3	Formosa Polypropylene (Ningbo) Co., Ltd.	Formosa Polyethylene (Ningbo) Co., Ltd.	3	Due from related parties	969,685	-	0.22%
4	Formosa electronic (Ningbo) Co., Ltd.	Formosa Polyethylene (Ningbo) Co., Ltd.	3	Due from related parties	123,960	-	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.

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FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(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
				March 31, 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%	$ 78,673,499	$ 10,446,085	$2,965,185	Note, Note 2
The Company	Formosa Plastics Corp., U.S.A.	U.S.A	Chemicals	5,614,024	5,614,024	70	22.61%	49,690,064	8,058,064	1,781,400	Note, Note 2
The Company	Formosa Heavy Industries Corp.	Taiwan	Mechanical equipment	2,498,463	2,498,463	651,828	32.92%	8,277,636	(123,526)	(34,660)	Note, Note 2
The Company	Sky Dragon Investment Limited	Samoa	Investment	6,201,032	6,201,032	200,000	50.00%	2,227,772	(788,591)	(394,295)	Note, Note 2
The Company	Formosa Plastics Corp. (Cayman Ltd.)	Cayman	Investment	19,075,078	19,075,078	75	100.00%	28,759,675	235,788	235,788	Note, Note 1
The Company	Mai Liao Power Corp.	Taiwan	Electricity	5,985,531	5,985,531	498,842	24.94%	11,563,705	959,290	239,247	Note, Note 2
The Company	Formosa Sumco Technology Corp.	Taiwan	Electronics manufacture	2,837,042	2,837,042	225,415	29.06%	5,890,389	135,493	39,374	Note, Note 2
The Company	Formosa Transportation Corp.	Taiwan	Transportation	60,664	60,664	4,213	33.33%	700,757	31,269	10,422	Note, Note 2
The Company	Formosa Fairway Corp.	Taiwan	Transportation	33,330	33,330	4,472	33.33%	79,981	(3,329)	(1,110)	Note 2
The Company	Yi-Jih Development Corp.	Taiwan	Construction	57,000	57,000	5,700	28.72%	62,583	196	56	Note 2
The Company	Ya Tai Development Corp.	Taiwan	Development of land	54,034	54,034	1,306	45.04%	32,008	(2,235)	(1,007)	Note 2
The Company	Formosa Asahi Spandex Co., Ltd.	Taiwan	Artificial fiber	501,752	501,752	50	50.00%	1,242,329	83,683	41,842	Note 2
The Company	Formosa Automobile Corporation	Taiwan	Automobile	944,972	944,972	27,044	45.00%	-	21,815	9,817	Note 2
The Company	Wha Ya Park Management Consulting Corporation Ltd.	Taiwan	Consulting service	341	341	33	33.00%	1,904	129	43	Note 2
The Company	Formosa Daikin Advanced Chemical Co., Ltd.	Taiwan	Chemical industry	100,000	100,000	24	50.00%	842,320	21,398	10,699	Note 2
The Company	Su-Hua Transportation Corporation	Taiwan	Transportation	50,000	50,000	7,659	25.00%	228,314	40,639	10,160	Note 2
The Company	Formosa Resources Corporation	Taiwan	Mining industry	4,162,500	4,162,500	416,250	25.00%	4,358,233	(115,470)	(28,868)	Note, Note 2
The Company	Formosa Environmental Technology Corporation	Taiwan	Environmental industry	417,145	417,145	41,714	24.34%	260,050	(4,635)	(1,128)	Note, Note 2
The Company	Formosa Group (Cayman) Limited	Cayman	Investment	377	377	13	25.00%	215,585	268,795	67,199	Note, Note 2
The Company	Formosa Plastics Development Corporation Ltd.	Taiwan	Construction	15,000	15,000	1,500	33.33%	9,791	(2,611)	(870)	Note 2
The Company	Formosa Industries Corporation	U.S.A	Chemicals	4,932,000	4,932,000	2	100.00%	4,773,170	(20,523) (USD-616)	(20,523) (USD-616)	Note, Note 1
The Company	Formosa Plastics International (Cayman) Limited.	Cayman	Investment	15,370,112	-	-	100.00%	15,442,759	-	-	Note, Note 1
Formosa Plastics Corp. (Cayman Ltd.)	Formosa Industries (Hong Kong) Limited	Hong Kong	Reinvestment	7,583,106 (USD 234,902)	7,767,270 (USD234,902)	-	100.00%	28,571,886 (USD913,003)	239,000 (USD7,174)	239,000 (USD7,174)	Note 2, Note 3
Formosa Industries Corporation	Formosa Olefins, L.L.C.	U.S.A	Olefins	3,089,387 (USD 95,700)	3,146,616 (USD 95,700)	-	33.00%	3,039,693 (USD 94,161)	-	-	Note 2

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 March 31, 2016, was 32.2820 to 1.
The average exchange rate of New Taiwan dollars to US dollars for the three-month periods ended March 31, 2016, was 33.3136 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	Three-month periods ended March 31, 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)	$ 148,847 (USD4,468)	100.00%	$ 148,847 (USD4,468)	$ 6,354,885 (USD196,855	-
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)	(217,700) (USD-6,535)	100.00%	(217,700) (USD-6,535)	11,854,555 (USD367,219)	-
Formosa Polypropylene (Ningbo) Co., Ltd.	Polypropylene	6,980,064 (USD211,900)	Indirect investment	6,980,064 (USD211,900)	-	-	6,980,064 (USD211,900)	422,065 (USD12,669)	100.00%	422,065 (USD12,669)	7,760,962 (USD240,411)	-
Formosa Super Absorbent Polymer (Ningbo) Co., Ltd.	Absorbent polymer	834,293 (USD26,300)	Indirect investment	624,930 (USD19,300)	-	-	624,930 (USD19,300)	(42,319) (USD-1,270)	100.00%	(42,319) (USD-1,270)	999,311 (USD30,956)	-
Formosa electronic (Ningbo) Co., Ltd.	Electronics	74,648 (USD2,260)	Indirect investment	66,137 (USD2,000)	-	-	66,137 (USD2,000)	7,273 (USD218)	100.00%	7,273 (USD218)	271,493 (USD8,410)	-
Formosa Polyethylene (Ningbo) Co., Ltd.	Polyethylene	1,670,088 (USD57,500)	Indirect investment	1,670,088 (USD57,500)	-	-	1,670,088 (USD57,500)	(79,166) (USD-2,376)	100.00%	(79,166) (USD-2,376)	1,330,680 (USD41,220)	-
Formosa Mitsui Advanced Chemical Co., Ltd.	Electrolyte	244,196 (USD8,200)	Indirect investment	122,098 (USD4,100)	-	-	122,098 (USD4,100)	(6,419) (USD-193)	50.00%	(3,210) (USD-96)	114,489 (USD3,547)	-
Fujian Fuxin Special Steel Co., Ltd.	Steel	24,768,000 (USD1,000,000)	Indirect investment	6,192,000 (USD200,000)	-	-	6,192,000 (USD200,000)	(1,577,182) (USD-47,343)	32.90%	(394,295) (USD-11,836)	2,228,120 (USD69,020)	-
Swancor (Jiangsu) Carbon Fiber Composite Co., Ltd.	Carbon fiber	393,167 (USD12,000)	Indirect investment	70,770 (USD2,160)	-	-	70,770 (USD2,160)	-	18.00%	-	69,729 (USD2,160)	-

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)
25,265,375 (USD786,530)	30,039,789 (USD 930,543)	-

Note: The exchange rate of New Taiwan dollars to US dollars on March 31, 2016, was 32.282 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 three-month period ended March 31, 2015							
	Plastic division	**Polyolefin division**	**Polypropylene division**	**Tairylan division**	**Chemistry division**	**Others divisions**	**Adjustments and eliminated**	**Total**
Revenue:								
From external customers	$ 16,186,280	9,000,451	8,949,513	6,150,078	6,481,106	929,684	-	47,697,112
From sales among intersegments	326,287	424,108	24,749	13,619	665,637	1,230,738	(2,685,138)	-
Total revenue	**$ 16,512,567**	**9,424,559**	**8,974,262**	**6,163,697**	**7,146,743**	**2,160,422**	**(2,685,138)**	**47,697,112**
Reportable segment profit or loss	**$ 1,044,169**	**835,988**	**920,740**	**(790,605)**	**1,019,026**	**225,122**	**1,197,544**	**4,451,984**

	For the three-month period ended March 31, 2016							
	Plastic division	**Polyolefin division**	**Polypropylene division**	**Tairylan division**	**Chemistry division**	**Others divisions**	**Adjustments and eliminated**	**Total**
Revenue:								
From external customers	$ 15,773,533	8,776,596	7,314,935	5,252,287	4,751,740	913,278	-	42,782,369
From sales among intersegments	327,225	397,454	15,724	7,835	474,361	1,146,760	(2,369,359)	-
Total revenue	**$ 16,100,758**	**9,174,050**	**7,330,659**	**5,260,122**	**5,226,101**	**2,060,038**	**(2,369,359)**	**42,782,369**
Reportable segment profit or loss	**$ 977,813**	**1,115,186**	**1,183,648**	**(1,068,167)**	**367,316**	**251,719**	**3,825,646**	**6,653,161**

	Plastic division	**Polyolefin division**	**Polypropylene division**	**Tairylan division**	**Chemistry division**	**Others divisions**	**Adjustments and eliminated**	**Total**
Reportable segment assets								
March 31, 2015	**$ 34,771,623**	**13,819,581**	**18,750,178**	**43,275,117**	**6,742,059**	**370,749,871**	**(52,600,850)**	**435,507,579**
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**
March 31, 2016	**$ 33,830,208**	**15,795,700**	**18,346,334**	**38,987,323**	**6,323,603**	**337,700,040**	**(12,776,744)**	**438,206,464**