Stock Code:1301

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Three Months Ended March 31, 2022 and 2021

Address: No.100, Shuiguan Rd., Renwu Dist., Kaohsiung City 814, Taiwan (R.O.C.)
Telephone: (07)371-1411

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

Table of contents

安侯建業聯合會計師事務所
KPMG
台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)
電 話 Tel + 886 2 8101 6666
傳 真 Fax + 886 2 8101 6667
網 址 Web home.kpmg/tw

Independent Auditors' Review Report

To the Board of Directors
Formosa Plastics Corporation:

Introduction

We have reviewed the accompanying consolidated balance sheets of Formosa Plastics Corporation ("the Company") and its subsidiaries (together referred to as "the Group") as of March 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2022 and 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standard 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to $28,455,069 thousand and $26,112,483 thousand, constituting 5.03% and 5.12% of the consolidated total assets; and the total liabilities amounting to $15,104,009 thousand and $15,394,964 thousand, constituting 10.96% and 10.21% of the consolidated total liabilities as of March 31, 2022 and 2021, respectively; as well as the total comprehensive income (loss) amounting to $161,322 thousand and $(46,086) thousand, constituting 0.65% and (0.17)% of the consolidated total comprehensive income (loss) for the three months ended March 31, 2022 and 2021, respectively.

Furthermore, as stated in Note 6(f), the other equity accounted investments of the Group in its investee companies of $115,092,736 thousand and $101,472,647 thousand as of March 31, 2022 and 2021, respectively, and its equity in net earnings on these investee companies of $1,251,065 thousand and $214,536 thousand for the three months ended March 31, 2022 and 2021, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the 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 the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2022 and 2021, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

We did not review the financial statements of certain investee companies under the equity method of the Group. Those financial statements were reviewed by other auditors, whose review report has been furnished to us, and our conclusion, insofar as it relates to the amounts included for those, were based solely on the review report of other auditors. The financial statements of the investee companies reflect the total assets amounting to $112,034,597 thousand and $100,482,221 thousand, constituting 19.80% and 19.71% of the consolidated total assets as of March 31, 2022 and 2021, respectively, as well as the related shares of profit of associates and joint ventures accounted for using the equity method amounting to $4,199,322 thousand and $5,023,323 thousand, constituting 21.29% and 27.81% of the consolidated income before income tax for the three months then ended March 31, 2022 and 2021 respectively.

The engagement partners on the reviews resulting in this independent auditors' review report are Hui-chih Kou and Chi-Lung Yu.

KPMG

Taipei, Taiwan (Republic of China)
May 10, 2022

Notes to Readers

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

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Reviewed only, not audited in accordance with the generally accepted auditing standards as of March 31, 2022 and 2021

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2022, December 31 and March 31, 2021

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2022		December 31, 2021		March 31, 2021	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (Note 6(a))	$ 20,611,199	4	13,715,454	3	17,305,150	3
1110	Current financial assets at fair value through profit or loss (Note 6(b))	1,431,901	-	3,793,399	1	3,898,180	1
1120	Current financial assets at fair value through other comprehensive income (Note 6(b))	112,056,307	20	109,316,870	20	110,691,383	22
1150	Notes receivable (Notes 6(c)(r))	4,847,087	1	5,806,161	1	2,697,504	-
1170	Accounts receivable, net (Notes 6(c)(r))	14,795,049	3	15,109,576	3	13,497,426	3
1180	Accounts receivable－related parties (Notes 6(c)(r) and 7)	5,767,141	1	4,688,703	1	3,992,695	1
1200	Other receivables (Note 6(d))	1,702,695	-	1,365,955	-	817,153	-
1210	Other receivables－related parties (Notes 6(d) and 7)	8,596,791	2	7,362,620	1	7,408,148	1
130X	Inventories (Note 6(e))	23,124,984	3	24,525,572	4	19,039,274	4
1470	Other current assets	5,724,172	1	3,577,911	1	4,592,039	1
	Total current assets	198,657,326	35	189,262,221	35	183,938,952	36
	Non-current assets:						
1517	Financial assets at fair value through other comprehensive income-non-current (Note 6(b))	25,584,748	5	24,910,619	5	20,161,756	4
1550	Investments accounted for using equity method (Note 6(f))	227,127,333	40	218,625,143	40	201,954,868	40
1600	Property, plant and equipment (Note 6(g), 7 and 8)	101,304,030	18	97,343,039	18	89,375,247	18
1755	Right-of-use assets (Note 6(h))	1,174,688	-	1,133,986	-	1,135,157	-
1780	Intangible assets	638,630	-	623,165	-	613,896	-
1840	Deferred tax assets	2,019,427	-	1,962,887	-	2,813,643	-
1900	Other non-current assets (Note 8)	9,340,188	2	9,817,862	2	9,931,794	2
	Total non-current assets	367,189,044	65	354,416,701	65	325,986,361	64
	Total assets	$ 565,846,370	100	543,678,922	100	509,925,313	100

		March 31, 2022		December 31, 2021		March 31, 2021	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings (Notes 6(i))	$ 202,163	-	4,484,676	1	15,072,591	3
2110	Short-term notes and bills payable (Note 6(j))	-	-	2,099,824	-	17,597,142	3
2170	Accounts payable	2,477,903	-	7,768,898	1	4,031,184	1
2180	Accounts payable－related parties (Note 7)	10,219,748	1	8,201,747	1	9,651,708	2
2200	Other payables	12,263,978	2	10,352,387	2	5,334,839	1
2220	Other payables－related parties (Note 7)	16,178,979	3	15,789,544	3	1,656,281	-
2280	Current lease liabilities (Note 6(m))	31,209	-	23,879	-	13,585	-
2321	Current portion of bonds payable (Note 6(l))	9,396,085	2	9,395,685	2	2,898,401	1
2399	Other current liabilities (Note 7)	19,840,169	4	16,424,576	3	15,216,120	3
	Total current liabilities	70,610,234	12	74,541,216	13	71,471,851	14
	Non-Current liabilities:						
2530	Bonds payable (Note 6(l))	36,116,182	6	36,113,569	7	38,014,576	8
2540	Long-term debts (Note 6(k) and 8).	4,591,607	1	4,187,592	1	1,829,280	-
2570	Deferred tax liabilities	19,903,012	4	19,164,020	4	18,064,634	4
2580	Non-current lease liabilities (Note 6(m))	122,391	-	123,728	-	126,905	-
2622	Long-term accounts payable to related parties (Note 7)	-	-	-	-	14,693,465	3
2640	Net defined benefit liabilities-non-current	6,054,042	1	6,159,185	1	6,436,491	1
2670	Other non-current liabilities (Note 6(f))	381,590	-	199,338	-	130,776	-
	Total non-current liabilities	67,168,824	12	65,947,432	13	79,296,127	16
	Total liabilities	137,779,058	24	140,488,648	26	150,767,978	30
	Equity (Note 6(p)):						
3110	Common stock	63,657,408	11	63,657,408	12	63,657,408	12
3200	Capital surplus	11,767,825	2	11,770,685	2	11,741,693	2
	Retained earnings:						
3310	Legal reserve	67,780,313	12	67,780,313	12	65,791,185	13
3320	Special reserve	71,352,267	13	71,352,267	13	68,879,676	14
3350	Unappropriated retained earnings	123,700,286	22	107,126,265	20	70,522,049	14
	Total retained earnings	262,832,866	47	246,258,845	45	205,192,910	41
3400	Other components of equity	89,809,213	16	81,503,336	15	78,565,324	15
	Total equity	428,067,312	76	403,190,274	74	359,157,335	70
	Total liabilities and equity	$ 565,846,370	100	543,678,922	100	509,925,313	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

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

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		For the three months ended March 31,			
		2022		2021	
		Amount	%	Amount	%
4000	**Operating revenue (Notes 6(r) and 7)**	$ 71,003,763	100	60,601,937	100
5000	**Operating costs (Notes 6(e)(g)(n)(s) and 7)**	53,461,467	75	44,043,031	73
	Gross profit	17,542,296	25	16,558,906	27
	Operating expenses (Notes 6(c)(g)(h)(n)(s) and 7):				
6100	Selling expenses	2,445,864	3	2,055,775	3
6200	Administrative expenses	1,331,199	2	1,251,384	2
6300	Research and development expenses	450,017	1	348,418	1
6450	Expected credit loss (gain)	(14,611)	-	18,569	-
	Total operating expenses	4,212,469	6	3,674,146	6
	Operating income	13,329,827	19	12,884,760	21
	Non-operating income and expenses (Notes 6(f)(g)(m)(t) and 7):				
7100	Interest income	64,294	-	58,068	-
7010	Other income	45,258	-	38,177	-
7020	Other gains and losses	1,008,786	1	64,429	-
7050	Finance costs	(175,189)	-	(221,139)	-
7060	Recognized share of profit of associates and joint ventures accounted for using equity method, net	5,450,387	7	5,237,859	9
	Total non-operating income and expenses	6,393,536	8	5,177,394	9
	Profit from continuing operations before tax	19,723,363	27	18,062,154	30
9300	Less: Income tax expenses (Note 6(o))	3,149,342	4	3,102,212	5
	Profit	16,574,021	23	14,959,942	25
8300	**Other comprehensive income (loss): (Note 6(o)(p))**				
8310	**Components of other comprehensive income (loss) that will not be reclassified to profit or loss:**				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income(loss)	3,410,714	5	9,986,405	17
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	145,397	-	2,012,831	3
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		3,556,111	5	11,999,236	20
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss:**				
8361	Exchange differences on translation of foreign financial statements	4,930,148	8	(416,321)	(1)
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	217,180	-	18,523	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	397,562	1	(57,154)	-
	Components of other comprehensive income that will be reclassified to profit or loss	4,749,766	7	(340,644)	(1)
8300	**Other comprehensive income (loss)**	8,305,877	12	11,658,592	19
8500	**Total comprehensive income (loss)**	**$ 24,879,898**	**35**	**26,618,534**	**44**
		Before	**After**	**Before**	**After**
	Basic/Diluted earnings per share(NT dollars) (Note 6(q))	**$ 3.10**	**2.60**	**2.84**	**2.35**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

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 months ended March 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent								
	Share capital		Retained earnings			Total other equity interest			
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Total equity
Balance on January 1, 2021	$ 63,657,408	11,742,124	65,791,185	68,879,676	55,559,015	(9,603,060)	76,471,804	37,988	332,536,140
Net Income for the period	-	-	-	-	14,959,942	-	-	-	14,959,942
Other comprehensive income (loss) for the period, net of income tax	-	-	-	-	-	(359,801)	11,999,236	19,157	11,658,592
Total comprehensive income (loss) for the period	-	-	-	-	14,959,942	(359,801)	11,999,236	19,157	26,618,534
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	3,092	-	-	-	3,092
Other changes in capital surplus:									
Other changes in capital surplus	-	(431)	-	-	-	-	-	-	(431)
Balance at March 31, 2021	**$ 63,657,408**	**11,741,693**	**65,791,185**	**68,879,676**	**70,522,049**	**(9,962,861)**	**88,471,040**	**57,145**	**359,157,335**
Balance at December 31, 2021	$ 63,657,408	11,770,685	67,780,313	71,352,267	107,126,265	(12,738,403)	94,230,777	10,962	403,190,274
Net Income for the period	-	-	-	-	16,574,021	-	-	-	16,574,021
Other comprehensive income (loss) for the period, net of income tax	-	-	-	-	-	4,744,408	3,556,111	5,358	8,305,877
Total comprehensive income (loss) for the period	-	-	-	-	16,574,021	4,744,408	3,556,111	5,358	24,879,898
Other changes in capital surplus:									
Other changes in capital surplus	-	(2,860)	-	-	-	-	-	-	(2,860)
Balance on March 31, 2022	**$ 63,657,408**	**11,767,825**	**67,780,313**	**71,352,267**	**123,700,286**	**(7,993,995)**	**97,786,888**	**16,320**	**428,067,312**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

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, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the three-month periods ended March 31,	
	2022	2021
Cash flows from operating activities:		
Income before income tax	$ 19,723,363	18,062,154
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	1,860,976	1,828,903
Amortization expense	141,347	342,220
Expected credit (gain) loss	(14,611)	18,569
Net gain on financial assets at fair value through profit	(61,197)	(9,297)
Interest expense	175,189	221,139
Interest income	(64,294)	(58,068)
Share of profit of associates and joint ventures accounted for using equity method	(5,450,387)	(5,237,859)
Gain on disposal of property, plant and equipment	(1,885)	(4,367)
Unrealized foreign exchange gain	(58,583)	(184,412)
Total adjustments to reconcile profit	(3,473,445)	(3,083,172)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	959,074	(549,243)
Accounts receivable	387,065	(2,958,688)
Accounts receivable due from related parties	(1,078,438)	(553,483)
Other receivables	(133,137)	110,858
Other receivables due from related parties	45,163	(1,971)
Inventories	1,434,942	(2,538,123)
Other current assets	(2,146,261)	713,808
Total changes in operating assets	(531,592)	(5,776,842)
Changes in operating liabilities:		
Accounts payable	(5,290,996)	(1,981,451)
Accounts payable to related parties	2,018,002	2,549,143
Other payables	(161,896)	(189,150)
Other payables to related parties	505,195	(49,641)
Other current liabilities	3,415,593	2,469,145
Net defined benefit liability	(105,143)	(124,441)
Total changes in operating liabilities	380,755	2,673,605
Total changes in operating assets and liabilities	(150,837)	(3,103,237)
Total adjustments	(3,624,282)	(6,186,409)
Cash inflow generated from operations	16,099,081	11,875,745
Interest received	108,353	71,089
Dividends received	207,016	50,626
Interest paid	(175,013)	(220,822)
Income taxes paid	(791,401)	(591,118)
Net cash flows from operating activities	15,448,036	11,185,520
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	-	(884,531)
Acquisition of property, plant and equipment	(3,955,399)	(4,389,920)
Proceeds from disposal of property, plant and equipment	2,003	4,604
Proceeds from disposal of current financial assets at fair value through profit or loss	2,422,695	-
Acquisition of intangible assets	(9,167)	(38,774)
Increase in other receivables due from related parties	(1,319,980)	(911,859)
Decrease (Increase) in other non-current assets	386,069	(628,773)
Net cash flows used in investing activities	(2,473,779)	(6,849,253)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	45,324	76,729,756
Decrease in short-term borrowings	(4,331,184)	(77,008,413)
(Decrease)Increase in short-term notes and bills payable	(2,100,000)	600,000
Proceeds from long-term debts	242,546	269,954
Repayments of long-term debts	-	(2,000,000)
(Decrease) Increase in due to related parties (recognized as other payables－related parties) and long-term accounts payable to related parties	(572,440)	283,911
Payment of lease liabilities	(9,885)	(9,453)
(Decrease) Increase in other non-current liabilities	(45,778)	68,583
Cash dividends paid	(2,860)	(431)
Net cash used in financing activities	(6,774,277)	(1,066,093)
Effect of exchange rate changes on cash and cash equivalents	695,765	(110,134)
Net increase in cash and cash equivalents	6,895,745	3,160,040
Cash and cash equivalents at beginning of period	13,715,454	14,145,110
Cash and cash equivalents at end of period	**$ 20,611,199**	**17,305,150**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

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") engages 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 accompanying consolidated financial statements of the Group as of and for the three months ended 2022 were authorized for issue by the board of directors on May 10, 2022 .

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2022:

- Amendments to IAS 16 "Property, Plant and Equipment—Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contracts－Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	The key amendments to IAS 1 include: ● requiring companies to disclose their material accounting policies rather than their significant accounting policies; ● clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and ● clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.	January 1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.	January 1, 2023

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

(4) Summary of significant accounting policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 "Interim Financial Reporting" which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended 31, 2021. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2021.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated interim financial statements:

			Percentage of Ownership (%)			
Name of Investor	**Name of subsidiaries**	**Business activity**	**March 31, 2022**	**December 31, 2021**	**March 31, 2021**	**Note**
The Company	Formosa Plastics Corporation (Cayman) Limited	Investment	100 %	100 %	100 %	
The Company	Formosa Industries Corporation U.S.A	High Density Polyethylene	100 %	100 %	100 %	
Formosa Plastics Corporation (Cayman) Limited	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 Electronic (Ningbo) Co., Ltd.	Electronics	100 %	100 %	100 %	

Note1: The immaterial subsidiaries' financial statements for the three-month periods ended March 31, 2022 and 2021 have not been reviewed by independent auditors.

(ii) Subsidiary not included in the consolidated financial statements: None.

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) 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.

(d) Income Tax

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. and allocated to current and deferred taxes based on its proportionate size).

For a change in tax rate that is substantively enacted in an interim period, the effect of the change immediately should be recognized in the interim period in which the change occurs.

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.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 "Interim Financial Reporting" and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Except for the following, the preparation of the consolidated interim financial statements, estimates and underlying assumptions were reviewed on an ongoing basis in are in conformity with the consolidated financial statements for the year ended December 31, 2021. For related information, please refer to note 5 of the 2021 consolidated financial statements.

The accounting policies involved significant judgments and the information that have significant effect on the amounts recognized in the consolidated financial statements are as below:

(a) Judgment of whether the Group has substantive control over Formosa Petrochemical Corporation

The Group holds 28.56% outstanding ordinary shares of Formosa Petrochemical Corporation, who has a total number of 15 directors in its board, including 2 seats representing the Group. Although the Group is the biggest shareholder of Formosa Petrochemical Corporation, the Group does not have definite control on its overall operating related activities. Therefore, it is determined that the Group has no control over Formosa Petrochemical Corporation.

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Judgment of whether the Group has substantive control over Formosa Heavy Industries Corporation

The Group holds 32.92% outstanding ordinary shares of Formosa Heavy Industries Corporation, who has a total number of 7 directors in its board, with the Group obtaining none of the seats, but having only one supervisor serving as its representative. Although the Group is the biggest shareholder of Formosa Heavy Industries Corporation, the Group does not have definite control on its overall operating related activities. Therefore, it is determined that the Group has no control over Formosa Heavy Industries Corporation.

(c) Judgment of whether the Group has substantive control over Sky Dragon Investments Limited

The Group holds 50.00% outstanding shares of Sky Dragon Investments Limited, which has only 1 director who is not connected with the Group. Although the Group is the biggest shareholder of Sky Dragon Investments Limited, the Group does not have definite control on its overall operating related activities. Therefore, it is determined that the Group has no control over Sky Dragon Investments Limited.

(6) Explanation of significant accounts:

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2021. Please refer to Note 6 of the 2021 annual consolidated financial statements.

(a) Cash and cash equivalents

	March 31, 2022	December 31, 2021	March 31, 2021
Cash on hand	$ 374	287	358
Bank deposit	6,014,795	4,051,444	5,304,168
Cash equivalents			
Cash equivalents－Time deposits	11,615,982	9,294,564	12,000,624
Repurchase bonds	2,980,048	369,159	-
	$ 20,611,199	**13,715,454**	**17,305,150**

(b) Financial assets at fair value through profit or loss and other comprehensive income

	March 31, 2022	December 31, 2021	March 31, 2021
(i) Mandatorily at FVTPL			
Private fund	**$ 1,431,901**	**3,793,399**	**3,898,180**

Please refer to Notes 6(t) for amount of remeasurement at FVTPL.

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2022	December 31, 2021	March 31, 2021
(ii) Equity investments at fair value through other comprehensive income			
Listed stocks	$ 111,878,857	109,106,270	110,691,383
Non-listed stocks	6,434,745	6,372,296	4,753,762
Non-domestic stocks	19,327,453	18,748,923	15,407,994
Total	**$ 137,641,055**	**134,227,489**	**130,853,139**

Equity investments at fair value through other comprehensive income.

The Group designated the investments shown above as equity instruments at fair value through other comprehensive income because these equity instruments represent those investments that the Group intends to hold for long-term for strategic purposes.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of March 31, 2022 and 2021.

(c) Notes receivable and accounts receivable:

	March 31, 2022	December 31, 2021	March 31, 2021
Notes receivable from operating activities	$ 4,847,087	5,806,161	2,697,504
Accounts receivable (including related parties) －at amortized cost	20,408,098	19,705,136	17,499,136
Account receivables -at fair value through other comprehensive income	222,359	175,365	11,161
Less : allowance for doubtful receivables	(68,267)	(82,222)	(20,176)
	$ 25,409,277	**25,604,440**	**20,187,625**

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables on March 31, 2022, December 31 and March 31, 2021. To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information. The loss allowance provision were determined as follows:

	March 31, 2022		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 24,526,966	0.001~0.147%	36,128
1 to 30 days past due	913,606	2.786%	25,453
31 to 60 days past due	36,938	18.062%	6,672
More than 61 days past due	34	42.155%	14
	$ 25,477,544		**68,267**

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2021		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 24,307,054	0.001%~0.145%	35,482
1 to 30 days past due	1,330,734	2.836%	37,744
31 to 60 days past due	48,874	18.406%	8,996
	$ 25,686,662		**82,222**

	March 31, 2021		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 19,574,298	0.038%	7,366
1 to 30 days past due	545,628	0.937%	5,112
31 to 60 days past due	81,154	7.508%	6,093
More than 61 days past due	6,721	23.875%	1,605
	$ 20,207,801		**20,176**

The movement of the allowance for doubtful receivable was as follows:

	For the three months ended March 31,	
	2022	2021
Beginning balance	$ 82,222	1,624
Impairment losses recognized	326	18,569
Impairment losses reversed	(14,937)	-
Foreign exchange gains	656	(17)
Ending balance	**$ 68,267**	**20,176**

The Group entered into a factoring and financing agreement (without-recourse) with a financial institution. According to the contract, the net accounts receivable that have matured but are still uncollected will be paid by the financial institution, except for those affected by trade disputes. As of March 31, 2022, the outstanding accounts receivable factoring transaction between the Group and the financial institution was as follows:

	March 31, 2022					
	Purchaser	Factoring Balance	Factoring Line	Advanced Amount	Range of Interest Rate	Guarantee project
KC de Mexico	CITIBANK	USD 7,768,830	288,000	-	-	None

	December 31, 2021					
	Purchaser	Factoring Balance	Factoring Line	Advanced Amount	Range of Interest Rate	Guarantee project
KC de Mexico	CITIBANK	USD 7,304,880	USD 288,000	-		None

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2021					
	Purchaser	**Factoring Balance**	**Factoring Line**	**Advanced Amount**	**Range of Interest Rate**	**Guarantee project**
KC de Mexico	CITIBANK	USD 391,200	USD 4,991,217	-		None

(d) Other receivables

	March 31, 2022	**December 31, 2021**	**March 31, 2021**
Other receivables—loans to related parties	$ 6,805,544	5,485,564	5,403,984
Other receivables—related parties	1,791,247	1,877,056	2,004,164
Other receivables	1,702,695	1,365,955	817,153
	$ 10,299,486	**8,728,575**	**8,225,301**

As of March 31, 2022, December 31 and March 31, 2021, the aging analysis of other receivables were not recognized which estimated by the Group.

(e) Inventories

	March 31, 2022	**December 31, 2021**	**March 31, 2021**
Finished goods	$ 12,866,243	14,051,867	10,406,573
Work in process	2,361,732	2,240,416	1,890,704
Raw materials	4,341,210	4,717,737	3,714,362
Supplies	430,307	384,872	203,769
Machinery and accessories in process	3,116,409	3,120,846	2,808,655
Others	9,083	9,834	15,211
	$ 23,124,984	**24,525,572**	**19,039,274**

Change of net realizable value of inventories：

	For the three months ended March 31,	
	2022	**2021**
Gain from recovery of inventories	**$ 61,502**	**123,359**

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

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) Investments accounted for using equity method

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

	March 31, 2022	December 31, 2021	March 31, 2021
Associates			
Formosa Petrochemical Corporation	$ 105,686,442	101,830,792	94,481,173
Formosa Plastics Corp., U.S.A.	71,506,258	67,037,893	61,513,486
Formosa Heavy Industries Corp.	7,617,969	7,603,943	7,054,889
Sky Dragon Investments Limited	4,563,076	4,531,408	4,534,364
Mai Liao Power Corp.	12,552,215	12,820,290	12,617,028
Formosa Sumco Technology Corporation	6,348,155	6,059,749	6,001,048
Formosa Transportation Corp.	1,253,324	1,209,845	1,163,192
Formosa Fairway Corp.	43,565	49,214	63,779
Yi-Jih Development Corp.	19,679	19,682	20,144
Ya Tai Development Corp.	19,328	19,368	18,055
Formosa Automobile Corporation	513,811	468,645	306,348
Wha Ya Park Management Consulting Corporation Ltd.	3,199	3,196	3,031
Formosa Environmental Technology Corporation	229,414	228,808	227,709
Formosa Resources Corporation	6,767,209	6,860,325	7,042,303
Formosa Plastics Construction Corporation	589,996	593,785	567,490
Formosa Group (Cayman) Limited	693,479	662,099	658,822
Formosa Olefins, L.L.C.	5,541,639	5,290,503	2,971,329
Lolita Packaging, L.L.C.	-	-	60,312
Joint ventures			
Formosa Asahi Spandex Co., Ltd.	1,310,617	1,467,538	1,275,526
Formosa Daikin Advanced Chemical Co., Ltd.	1,342,622	1,331,596	1,257,839
Formosa Mitsui Advanced Chemical Co., Ltd.	79,013	79,365	-
Formosa Tokuyama Advanced Chemicals Co., Ltd.	446,323	457,099	117,001
	$ 227,127,333	**218,625,143**	**201,954,868**

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group's shares of net income (loss) of associates and joint ventures were as follows:

	For the three months ended March 31, 2022	For the three months ended March 31, 2021
Associates		
Formosa Petrochemical Corporation	$ 3,908,148	4,928,497
Formosa Plastics Corp., U.S.A.	1,775,058	171,397
Formosa Heavy Industries Corp.	14,025	37,481
Sky Dragon Investment Limited	(138,160)	(160,554)
Mai Liao Power Corp.	(304,572)	418
Formosa Sumco Technology Corporation	291,174	94,826
Formosa Transportation Corp.	43,478	26,476
Formosa Fairway Corp.	(5,649)	(4,467)
Yi-Jih Development Corp.	(4)	(15)
Ya Tai Development Corp.	(40)	(43)
Formosa Automobile Corporation	45,165	47,014
Wha Ya Park Management Consulting Corporation Ltd.	4	2
Formosa Environmental Technology Corporation	607	382
Formosa Resources Corporation	(93,116)	(11,515)
Formosa Plastics Construction Corporation	(3,788)	(912)
Formosa Group (Cayman) Limited	8,905	9,025
Formosa Olefins, L.L.C.	71,549	75,900
Lolita Packaging, L.L.C.	(209,435)	(47,861)
Joint ventures		
Formosa Asahi Spandex Co., Ltd.	50,095	37,945
Formosa Daikin Advanced Chemical Co., Ltd.	11,026	47,768
Formosa Mitsui Advanced Chemical Co., Ltd.	(3,307)	(5,972)
Formosa Tokuyama Advanced Chemicals Co., Ltd.	(10,776)	(7,933)
	$ 5,450,387	**5,237,859**

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Associates

1) 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, 2022	December 31, 2021	March 31, 2021
Formosa Petrochemical Corporation	Formosa Petrochemical Corporation, the supplier of raw materials for the Group, engages in the manufacturing and sales of petroleum products and petrochemical raw materials.	Taiwan	28.56 %	28.56 %	28.56 %
Formosa Plastics Corp., U.S.A.	Formosa Plastics Corp., U.S.A, engages in the manufacturing and sales of oil, plastic raw materials, and petrochemical raw materials, and is also the sales target of the Group.	U.S.A	22.66 %	22.66 %	22.66 %

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

	March 31, 2022	December 31, 2021	March 31, 2021
Formosa Petrochemical Corporation	$ **256,547,772**	**260,900,650**	**263,349,144**

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

The financial information of Formosa Petrochemical Corporation was as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Current assets	$ 303,385,322	289,585,609	245,930,423
Non-current assets	168,277,650	169,171,499	168,400,639
Current liabilities	(57,294,239)	(57,922,472)	(38,644,970)
Non-current liabilities	(38,989,670)	(39,067,548)	(39,287,761)
Net asset	$ **375,379,063**	**361,767,088**	**336,398,331**
Net asset contributed to non-controlling interest of Formosa Petrochemical Corporation	$ **4,491,760**	**4,352,620**	**4,520,647**
Net asset contributed to Formosa Petrochemical Corporation	$ **370,887,303**	**357,414,468**	**331,877,684**

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended March 31, 2022	2021
Revenue	$ 185,551,424	130,299,666
Net income	$ 13,650,822	17,892,235
Other comprehensive (loss) income	(38,847)	5,879,028
Total comprehensive income	$ 13,611,975	23,771,263
Comprehensive income (loss) allocated to non-controlling interest of Formosa Petrochemical Corporation	$ 139,140	(5,062)
Comprehensive income allocated to Formosa Petrochemical Corporation	$ 13,472,835	23,776,325

	For the three months ended March 31, 2022	2021
Beginning balance of investments in major associate at January 1	$ 101,830,792	87,874,676
Total comprehensive income allocated to the Company	3,831,764	6,603,405
Share of net assets of affiliates as of March 31	105,662,556	94,478,081
Add: Net adjustment	-	3,092
Total carrying amount of equity of the major associate as of March 31	$ 105,662,556	94,481,173

The financial information of Formosa Plastics Corp., U.S.A. was as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Current assets	$ 130,892,101	118,602,999	75,237,497
Non-current assets	252,667,592	243,722,396	252,840,174
Current liabilities	(18,870,207)	(19,018,738)	(16,440,261)
Non-current liabilities	(40,053,483)	(36,664,966)	(32,931,738)
Net asset	$ 324,636,003	306,641,691	278,705,672
Net asset contributed to non-controlling interest of Formosa Plastics Corp., U.S.A.	$ 10,782,150	10,769,237	7,204,490
Net asset contributed to Formosa Plastics Corp., U.S.A.	$ 313,853,853	295,872,454	271,501,182

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended March 31, 2022	For the three months ended March 31, 2021
Revenue	$ 51,631,557	32,830,465
Net income	$ 7,491,918	822,497
Other comprehensive income	11,886,939	221,974
Total comprehensive income	$ 19,378,857	1,044,471
Comprehensive (loss) income allocated to non-controlling interest of Formosa Plastics Corp., U.S.A.	$ (342,321)	66,034
Comprehensive income allocated to Formosa Plastics Corp., U.S.A.	$ 19,721,178	978,437

	For the three months ended March 31 2022	For the three months ended March 31 2021
Beginning balance of investments in major associate at January 1	$ 67,037,893	61,291,795
Total comprehensive income allocated to the Group	4,468,365	221,691
Total carrying amount of equity of the major associate as of March 31	$ 71,506,258	61,513,486

2) The Group's financial information for investments accounted for using the equity method that are individually insignificant was as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Carrying amount of individually insignificant associates' equity	$ 46,756,058	46,420,860	43,309,843

	For the three months ended March 31, 2022	For the three months ended March 31, 2021
Attributable to the Group:		
Net (loss) income	$ (279,857)	66,157
Other comprehensive income	398,804	169,745
Total comprehensive income	$ 118,947	235,902

3) On March 10, 2021, the Group participated in the capital increase by cash of Formosa Resources Corporation, an associate owned by the Group, with the total investment amounting to USD31,250 thousand (equivalent to $884,531 thousand) based on its original shareholding ratio of 25%.

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4) The Group invested in "Lolita Packaging, L.L.C" (an investee accounted for using the equity method) and recognized the losses of $209,435 thousand for the three months ended March 31, 2022, respectively. As of March 31, 2022, the Group's cumulative losses from the above investment had already exceeded the book value by $286,712 thousand as the Group intends to support this investee company, resulting in the Group to reclassify the investment to other non-current liabilities.

(ii) Joint ventures

The Group's financial information for investments in individually insignificant joint venture accounted for using equity method at the reporting date was as follows. This financial information is included in the consolidated financial statements.

	March 31, 2022	December 31, 2021	March 31, 2021
Individually insignificant joint venture	$ 3,178,575	3,335,598	2,650,366

	For the three months ended March 31, 2022	2021
Attributable to the Group:		
Net income	$ 47,038	71,808
Other comprehensive income	2,955	213
Total comprehensive income	$ 49,993	72,021

The Group invested in "Formosa Mitsui Advanced Chemical Co., Ltd." (an investee accounted for using the equity method) and recognized the losses of $5,972 thousand from this investment for the three months ended March 31, 2022. As of March 31, 2021, the Group's cumulative losses from the above investment had already exceeded the book value by $31,526 thousand as the Group intends to support this investee company, resulting in the Group to reclassify the investment to other non-current liabilities.

(iii) Collaterals

There are no investments accounted for using the equity method which were pledged to banks as collateral to secure the Group's bank loans as of March 31, 2022, December 31 and March 31, 2021.

(iv) The share of profit or loss and other comprehensive income of those investments accounted for using equity method, except that Formosa Petrochemical Corporation and Formosa Sumco Technology Corporation are calculated based on financial statements reviewed by CPA, is calculated based on unreviewed financial statements.

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(g) Property, plant and equipment

The movements of cost and accumulated depreciation and impairments of property, plant and equipment of the Group for the three months ended March 31, 2022 and 2021 were as follows:

	Land and land improvements	Buildings and constructions	Machinery and equipment	Other facilities	Construction in progress	Total
Cost:						
Balance at January 1, 2022	$ 12,626,322	29,443,105	197,651,254	8,142,779	23,993,354	271,856,814
Additions	-	2,652	169,212	185,911	3,597,624	3,955,399
Disposals	-	(1,807)	(69,215)	(13,203)	-	(84,225)
Reclassification	-	8,625	354,817	48,909	(375,252)	37,099
Effect of exchange rate changes	55,280	255,742	2,176,274	65,883	496,777	3,049,956
Balance at March 31, 2022	**$ 12,681,602**	**29,708,317**	**200,282,342**	**8,430,279**	**27,712,503**	**278,815,043**
Balance at January 1, 2021	$ 12,086,178	29,415,324	195,709,750	7,678,491	10,780,602	255,670,345
Additions	-	509	222,242	121,424	4,045,745	4,389,920
Disposals	-	-	(210,179)	(45,935)	-	(256,114)
Reclassification	-	77,207	871,372	24,090	(921,644)	51,025
Effect of exchange rate changes	1,364	(39,115)	(242,403)	(10,086)	80,160	(210,080)
Balance at March 31, 2021	**$ 12,087,542**	**29,453,925**	**196,350,782**	**7,767,984**	**13,984,863**	**259,645,096**
Accumulated depreciation/ impairments:						
Balance at January 1, 2022	$ 253,500	18,981,780	149,723,149	5,555,346	-	174,513,775
Depreciation for the period	28,917	219,527	1,460,158	139,544	-	1,848,146
Disposals	-	(1,807)	(69,198)	(13,102)	-	(84,107)
Reclassification	-	176	230	(365)	-	41
Effect of exchange rate changes	9,146	93,965	1,081,829	48,218	-	1,233,158
Balance at March 31, 2022	**$ 291,563**	**19,293,641**	**152,196,168**	**5,729,641**	**-**	**177,511,013**
Balance at January 1, 2021	$ 143,336	18,130,360	145,399,483	5,211,212	-	168,884,391
Depreciation for the period	29,292	217,612	1,447,435	122,298	-	1,816,637
Disposals	-	-	(210,148)	(45,729)	-	(255,877)
Reclassification	-	193	(345)	(304)	-	(456)
Effect of exchange rate changes	260	(14,190)	(153,451)	(7,465)	-	(174,846)
Balance at March 31, 2021	**$ 172,888**	**18,333,975**	**146,482,974**	**5,280,012**	**-**	**170,269,849**
Carrying amounts:						
Balance at March 31, 2022	**$ 12,390,039**	**10,414,676**	**48,086,174**	**2,700,638**	**27,712,503**	**101,304,030**
Balance at December 31, 2021	**$ 12,372,822**	**10,461,325**	**47,928,105**	**2,587,433**	**23,993,354**	**97,343,039**
Balance at March 31, 2021	**$ 11,914,654**	**11,119,950**	**49,867,808**	**2,487,972**	**13,984,863**	**89,375,247**

(i) Collaterals

The property, plant and equipment pledged to secure bank loans as of March 31, 2022, December 31 and March 31, 2021, are described in Note 8.

(ii) As of March 31, 2022, December 31 and March 31, 2021, the Group's parcels of land with title temporarily registered under the names of third parties for trust purpose had carrying value as of $33,529 thousand 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.

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(h) Right-of-use assets

The Group leases many assets including land and buildings, vehicle and machinery Information about cost and depreciation is as follows:

	Land	Buildings and constructions	Total
Cost:			
Balance at January 1, 2022	$ 1,186,465	-	1,186,465
Additions	15,878	-	15,878
Effect of exchange rate change	38,842	-	38,842
Balance at March 31, 2022	**$ 1,241,185**	**-**	**1,241,185**
Balance at January 1,2021	$ 1,237,853	-	1,237,853
Additions	6,568	-	6,568
Disposals	(6,414)	-	(6,414)
Balance at March 31, 2021	**$ 1,238,007**	**-**	**1,238,007**
Accumulated depreciation:			
Balance at January 1, 2022	$ 52,479	-	52,479
Depreciation for the period	12,830	-	12,830
Effect of exchange rate change	1,188	-	1,188
Balance at March 31, 2022	**$ 66,497**	**-**	**66,497**
Balance at January 1,2021	$ 90,727	-	90,727
Depreciation for the period	12,266	-	12,266
Effect of exchange rate change	(143)	-	(143)
Balance at March 31, 2021	**$ 102,850**	**-**	**102,850**
Carrying amount:			
Balance at March 31, 2022	**$ 1,174,688**	**-**	**1,174,688**
Balance at December 31, 2021	**$ 1,133,986**	**-**	**1,133,986**
Balance at March 31, 2021	**$ 1,135,157**	**-**	**1,135,157**

For the three months ended March 31, 2022 and 2021, the Group increased the right-of-use assets, please refer to Notes 6(m).

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Short-term borrowings

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

	March 31, 2022	December 31, 2021	March 31, 2021
Unsecured short-term borrowings	$ 49,753	4,377,404	14,973,538
Employees' savings	152,410	107,272	99,053
Total	**$ 202,163**	**4,484,676**	**15,072,591**
Interest rate	**0.776%~0.834%**	**0.730%~0.860%**	**0.432%~0.790%**

(ii) Issuance and redemption of loans

	For the three months ended March 31, 2022
Balance as of January 1, 2022	$ 4,484,676
New issuance during the period	45,324
Repayments during the period	(4,331,184)
Effect of exchange rate change	3,347
Balance as of March 31, 2022	**$ 202,163**

	For the three months ended March 31, 2021
Balance as of January 1, 2021	$ 15,356,724
New issuance during the period	76,729,756
Repayments during the period	(77,008,413)
Effect of exchange rate change	(5,476)
Balance as of March 31, 2021	**$ 15,072,591**

(j) Short-term notes and bills payable

	December 31, 2021		
	Institutions	Interest rate	Amount
Short-term notes and bills payable	China Bills Finance Corporation	0.34%	$ 2,100,000
Less: Discount on short-term notes and bills payable			(176)
Total			**$ 2,099,824**

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2021		
	Institutions	**Interest rate**	**Amount**
Short-term notes and bills payable	CTBC Bank Co., Ltd	0.215%~0.245%	$ 7,000,000
Short-term notes and bills payable	China Bills Finance Corporation	0.215%~0.255%	3,300,000
Short-term notes and bills payable	Mega Bills Finance Co., Ltd.	0.215%	600,000
Short-term notes and bills payable	Grand Bills Finance Corporation	0.215%~0.255%	3,200,000
Short-term notes and bills payable	Yuanta Commercial Bank Co., Ltd.	0.215%~0.255%	2,600,000
Short-term notes and bills payable	Taishin International Bank Co., Ltd.	0.205%	500,000
Short-term notes and bills payable	KGI Commercial Bank Co., Ltd.	0.215%	400,000
			17,600,000
Less: Discount on short-term notes and bills payable			(2,858)
Total			$ **17,597,142**

(k) Long-term debts

(i) Long-term debts consisted of the following:

	March 31, 2022	**December 31, 2021**	**March 31, 2021**
Unsecured long-term debts	$ **4,591,607**	**4,187,592**	**1,829,280**
Repayment period	**2025**	**2025**	**2025**
Interest rate	**0.9869%~4.075%**	**0.893%~4.075%**	**0.930%~4.075%**

(ii) Issuance and redemption of loan

	Total
Balance of January 1, 2022	$ 4,187,592
New issuance during the period	242,546
Repayments during the period	-
Effect of exchange rate charge	161,469
Balance of March 31, 2022	$ **4,591,607**

	Total
Balance of January 1, 2021	$ 3,569,776
New issuance during the period	269,954
Repayment during the period	(2,000,000)
Effect of exchange rate charge	(10,450)
Balance of March 31, 2021	$ **1,829,280**

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Bonds payable

(i) Bonds payable consisted of the following:

	March 31, 2022	December 31, 2021	March 31, 2021
Domestic unsecured nonconvertible corporate bonds	$ 45,512,267	45,509,254	40,912,977
Less: current portion	(9,396,085)	(9,395,685)	(2,898,401)
Total	**$ 36,116,182**	**36,113,569**	**38,014,576**
Expiry	**2022~2030**	**2022~2030**	**2021~2030**

(ii) Issuance and redemption of Domestic unsecured nonconvertible corporate bonds

The terms of domestic corporate bonds as of March 31, 2022, December 31 and March 31,2021 weren't as issuance and redemption.

(iii) The terms of domestic corporate bonds as of March 31, 2022, December 31 and March 31, 2021 were as follows:

	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
2022.03.31 Ending balance	1,249,566	1,498,106	6,298,040	5,996,534
2022.03.31 Current portion	1,249,566	748,485	3,148,824	-
2021.12.31 Ending balance	1,249,403	1,497,728	6,297,747	5,996,261
2021.12.31 Current portion	1,249,403	748,485	3,148,825	-
2021.03.31 Ending balance	2,498,915	1,496,591	6,296,865	5,995,440
2021.03.31 Current portion	1,249,349	-	-	-
Issuance date	November 5, 2012	June 10, 2013	November 8, 2013	May 21, 2014
Coupon rate	1.25%、1.39%、1.53%	1.23%、1.52%	1.42%、1.94%	1.83%、1.92%
Interest payment date	November 5	June 10	November 8	May 21
Repayment method	Payable in 2 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.

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	The first domestic unsecured nonconvertible corporate bond in 2017	The first domestic unsecured nonconvertible corporate bond in 2018	The first domestic unsecured nonconvertible corporate bond in 2020	The first domestic unsecured nonconvertible corporate bond in 2021
Issue amount	$ 7,000,000	9,300,000	8,350,000	7,500,000
2022.03.31 Ending balance	5,347,842	9,292,917	8,340,060	7,489,202
2022.03.31 Current portion	1,649,869	2,599,341	-	-
2021.12.31 Ending balance	5,347,366	9,292,423	8,339,615	7,488,711
2021.12.31 Current portion	1,649,631	2,599,341	-	-
2021.03.31 Ending balance	6,995,945	9,290,941	8,338,280	-
2021.03.31 Current portion	1,649,052	-	-	-
Issuance date	May 19, 2017	June 26, 2018	June 22, 2020	September 15, 2021
Coupon rate	1.09%、1.32%	0.82%、0.93%、1.09%	0.58%、0.63%、0.67%	0.46%、0.52%
Interest payment date	May 19	June 26	June 22	September 15
Repayment method	Payable in 2 equal installments for each different coupon rate in 2021~2022 and 2023~2024, respectively.	Payable in 2 equal installments for each different coupon rate in 2022~2023, 2024~2025 and 2027~2028 respectively.	Payable in 2 equal installments for each different coupon rate in 2024~2025, 2026~2027 and 2029~2030 respectively.	Payable in 2 equal installments for each different coupon rate in 2025~2026 and 2027~2028, respectively.

(m) Lease liabilities

Lease liabilities consisted of the following:

	March 31, 2022	December 31, 2021	March 31, 2021
Current	$ 31,209	23,879	13,585
Non-current financial assets	$ 122,391	123,728	126,905

Please refer to Note 6 (u) the maturity analysis.

On March 31, 2022, the amounts of lease liabilities incurred from the rentals of land increased by $15,878 thousand, with the interest rates of 1.41%, maturing in December 2022. On March 31, 2021, the amounts of lease liabilities incurred from the rentals of land increased by $6,568 thousand , with the interest rates of 2.05% , maturing in December 2042, respectively.

The amount recognized in profit or loss was as follows:

	For the three months ended March 31,	
	2022	2021
Interest on lease liabilities	$ 764	721
Expenses relating to short-term leases	$ 31,612	17,302

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The amount recognized in cash flows statement was as follows:

	For the three months ended March 31, 2022	For the three months ended March 31, 2021
Total cash outflow for leases	$ 42,261	27,476

(i) Real estate leases

As of March 31, 2022, the Group leases land and buildings for its office space and employee dormitory. The leases of office space typically run for a period of 2 to 50 years, and 1 year for employee dormitory. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Certain leases provide for additional rent payments that are based on changes in the local price indices, or sales that the Group incurred at the leased store in the period；others require the Group to make payments that relate to the property taxes levied on the lessor and insurance payments made by the lessor; these amounts are generally determined annually.

(ii) Other leases

The Group also leases its buildings with contract terms of one year. These leases are short-term and the Group has elected not to recognize its right-of-use assets and lease liabilities for these leases.

(n) Employee benefits

(i) Defined benefit plan

Subsequent to December 31, 2021, 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, 2021 and 2020.

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

	For the three months ended March 31, 2022	For the three months ended March 31, 2021
Operating costs	$ 20,169	26,497
Selling expenses	794	1,046
Administrative expenses	7,490	10,111
	$ 28,453	37,654

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Defined contribution plan

The Labor Pension Act ("The Act") prescribes a defined contribution plan. Pursuant to the Act, the Company has made monthly contributions equal to 6% of each employee's monthly salary to employees' pension accounts.

Subsidiaries in China are governed by China laws and regulation. Based on China laws and regulation, those companies contribute for employees' pension benefits at rates ranging from 14% of salary every month and remit those contributions to the related authority.

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

	For the three months ended March 31, 2022	For the three months ended March 31, 2021
Operating costs	$ 63,552	57,933
Selling expenses	3,324	2,617
Administrative expenses	29,054	27,152
	$ 95,930	**87,702**

(o) Income tax

(i) The components of income tax for the three months ended March 31, 2022 and 2021 were as follows:

	For the three months ended March 31, 2022	For the three months ended March 31, 2021
Current income tax expense	$ 2,788,711	2,637,884
Deferred tax expense		
The origination of temporary differences	360,631	464,328
Income tax expense	**$ 3,149,342**	**3,102,212**

(ii) The income tax expense related to components of other comprehensive income for the three months ended March 31, 2022 and 2021 was as follows:

	For the three months ended March 31, 2022	For the three months ended March 31, 2021
Items that will subsequently be reclassified to profit or loss:		
Exchange differences on translation of foreign financial statements	**$ (397,562)**	**57,154**

(iii) The Company's income tax returns have been examined and approved through 2020 by the R.O.C tax authorities.

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(p) Capital and other equity

Except as described below, there was no material change in equity for the three months ended March 31, 2022 and 2021. Please refer to Note 6(p) of the consolidated financial statements as of and for the year ended December 31, 2021 for the related detail disclosures on equity.

(i) Capital surplus

The components of capital surplus were as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Paid-in capital in excess of par value	$ 8,130,081	8,130,081	8,130,081
Treasury stock transactions	16,263	16,263	16,263
Equity in capital surplus of investee companies	202,638	202,638	202,111
Overdue unpaid directors' remuneration and dividends	421,340	424,200	395,735
Paid in capital in excess of the par value derived from overseas corporate bond conversion	2,997,503	2,997,503	2,997,503
	$ 11,767,825	**11,770,685**	**11,741,693**

(ii) Retained earnings

According to the rules of the Company's articles and Company Act, the Company's annual net profit, after providing for income tax and covering the losses of previous years, is first set aside for legal reserve at the rate of 10% thereof. In addition, a special reserve in accordance with applicable laws and regulations shall also be set aside. The remainder plus the undistributed earnings of the previous years are distributed or left undistributed for business purposes according to the resolution of the stockholders' dividend distribution plan, which are initially proposed by the Board of Directors and adopted by the shareholders in the Annual Stockholders' Meeting.

The Company also adopts a dividend distribution policy, under which, net earnings after deducting the legal reserve and special reserve may first be distributed by way of cash dividends which shall be equal to at least fifty percent (50%) of the Company's total dividend distribution every year. The capitalization of earnings and capital surplus shall not exceed fifty percent of the total dividends.

1) Legal reserve When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) 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 thousand, which were previously recognized in shareholders' equity were reclassified to retained earnings. In accordance with Regulatory 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 thousand as of March 31, 2022, December 31 and March 31, 2021.

According to the regulations of the FSC, 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.

3) Earnings distribution

The earnings distribution for 2021, which had been decided during the board meeting on March 10, 2022, have yet to be approved by the shareholders; while the earnings distribution for 2020 had been approved in the shareholders' meeting on July 29, 2021 as follows:

	For the years ended December 31,	
	2021	2020
Dividends attributable to ordinary shareholders:		
Cash dividends	$ 52,199,074	15,277,778
Dividends per share	$ 8.20	2.40

(iii) Other equity

	Exchange differences on translation of foreign operations	Unrealized gain (loss) on financial assets at fair value through profit or loss	Gain (loss) on hedging instruments	Total
Balance at January 1, 2022	$ (12,738,403)	94,230,777	10,962	81,503,336
Exchange differences arising on translation of foreign operations	4,532,586	-	-	4,532,586
Share of exchange differences on associates and joint ventures accounted for using equity method	211,822	-	-	211,822
Share of unrealized gains or losses on associates accounted for using equity method and their financial assets at fair value through other comprehensive income	-	145,397	-	145,397
Unrealized gains on financial assets at fair value through other comprehensive income	-	3,410,714	-	3,410,714
Share of cash flow hedge of associates and joint ventures	-	-	5,358	5,358
Balance at March 31, 2022	$ (7,993,995)	97,786,888	16,320	89,809,213

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Exchange differences on translation of foreign operations	Unrealized gain (loss) on financial assets at fair value through profit or loss	Gain (loss) on hedging instruments	Total
Balance at January 1, 2021	$ (9,603,060)	76,471,804	37,988	66,906,732
Exchange differences arising on translation of foreign operations	(359,167)	-	-	(359,167)
Share of exchange differences on associates and joint ventures accounted for using equity method	(634)	-	-	(634)
Share of unrealized gains or losses on associates accounted for using equity method and their financial assets at fair value through other comprehensive income	-	2,012,831	-	2,012,831
Unrealized gains on financial assets at fair value through other comprehensive income	-	9,986,405	-	9,986,405
Share of cash flow hedge of associates and joint ventures	-	-	19,157	19,157
Balance at March 31, 2021	$ (9,962,861)	88,471,040	57,145	78,565,324

(q) Earnings per share

The basic and diluted earnings per share was calculated as follows:

	For the three months ended March 31, 2022	2021
Basic earnings per share		
Profit attributable to ordinary shareholders	$ 16,574,021	14,959,942
Weighted average number of outstanding ordinary shares (in thousands)	6,365,741	6,365,741
	$ 2.60	2.35
Diluted earnings per share		
Profit attributable to ordinary shareholders	$ 16,574,021	14,959,942
Weighted average number of outstanding ordinary share (basic) (in thousands)	6,365,741	6,365,741
Effect on employee's profit sharing bonus (in thousands)	1,048	435
Weighted average number of outstanding ordinary share (diluted) (in thousands)	6,366,789	6,366,176
	$ 2.60	2.35

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(r) Revenue from Contracts with Customers

(i) Revenue Segmentation

	For the three months ended March 31, 2022						
	Plastic division	Polyolefin division	Polypropylene division	Tairylan division	Chemistry division	Others divisions	Total
Major market：							
Taiwan	$ 7,582,053	3,351,874	1,896,170	2,472,864	5,541,374	682,814	21,527,149
Mainland China	5,699,066	5,266,606	5,329,984	5,919,685	397,210	157,300	22,769,851
Others	13,460,779	6,883,400	1,220,743	3,647,383	1,377,997	116,461	26,706,763
	$ 26,741,898	**15,501,880**	**8,446,897**	**12,039,932**	**7,316,581**	**956,575**	**71,003,763**
Major goods：							
PVC	$ 15,738,564	-	-	-	-	-	15,738,564
Liquid caustic soda	6,374,485	-	-	-	-	-	6,374,485
HDPE	-	3,849,132	-	-	-	-	3,849,132
LLDPE	-	5,464,106	-	-	-	-	5,464,106
EVA	-	6,154,527	-	-	-	-	6,154,527
PP	-	-	7,684,597	-	-	-	7,684,597
POM	-	-	762,300	-	-	-	762,300
AE	-	-	-	6,584,937	-	-	6,584,937
SAP	-	-	-	2,864,472	-	-	2,864,472
Carbon fiber	-	-	-	890,517	-	-	890,517
n-Butanol	-	-	-	882,916	-	-	882,916
AN	-	-	-	-	2,465,409	-	2,465,409
MMA	-	-	-	-	833,698	-	833,698
ECH	-	-	-	-	1,887,949	-	1,887,949
Others	4,628,849	34,115	-	817,090	2,129,525	956,575	8,566,154
	$ 26,741,898	**15,501,880**	**8,446,897**	**12,039,932**	**7,316,581**	**956,575**	**71,003,763**

	For the three months ended March 31, 2021						
	Plastic division	Polyolefin division	Polypropylene division	Tairylan division	Chemistry division	Others divisions	Total
Major market：							
Taiwan	$ 5,569,329	2,871,405	2,044,099	2,239,626	5,171,520	689,175	18,585,154
Mainland China	5,915,341	4,576,510	6,003,424	5,281,705	513,250	75,801	22,366,031
Others	9,232,397	4,786,993	1,720,094	2,604,965	1,097,967	208,336	19,650,752
	$ 20,717,067	**12,234,908**	**9,767,617**	**10,126,296**	**6,782,737**	**973,312**	**60,601,937**
Major goods：							
PVC	$ 15,840,954	-	-	-	-	-	15,840,954
Liquid caustic soda	2,653,954	-	-	-	-	-	2,653,954
HDPE	-	3,592,083	-	-	-	-	3,592,083
LLDPE	-	3,673,527	-	-	-	-	3,673,527
EVA	-	4,936,028	-	-	-	-	4,936,028
PP	-	-	9,199,480	-	-	-	9,199,480
POM	-	-	568,137	-	-	-	568,137
AE	-	-	-	5,832,292	-	-	5,832,292
SAP	-	-	-	1,611,631	-	-	1,611,631
Carbon fiber	-	-	-	826,698	-	-	826,698
n-Butanol	-	-	-	1,122,457	-	-	1,122,457
AN	-	-	-	-	3,453,121	-	3,453,121
MMA	-	-	-	-	763,575	-	763,575
ECH	-	-	-	-	1,050,512	-	1,050,512
Others	2,222,159	33,270	-	733,218	1,515,529	973,312	5,477,488
	$ 20,717,067	**12,234,908**	**9,767,617**	**10,126,296**	**6,782,737**	**973,312**	**60,601,937**

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Balance of contracts

	March 31, 2022	December 31, 2021	March 31, 2021
Notes receivable	$ 4,847,087	5,806,161	2,697,504
Accounts receivable (including related parties)	20,630,457	19,880,501	17,510,297
Less: allowance for doubtful receivables	(68,267)	(82,222)	(20,176)
Total	**$ 25,409,277**	**25,604,440**	**20,187,625**

Please refer to Note 6(c) for the disclosure of accounts receivable and impairment.

(s) Employee bonus

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

For the three months ended March 31, 2022 and 2021, the appropriated employee compensations amounted to $17,363 thousand. These amounts were calculated based on the Company's articles of incorporation and the net profit before tax after deducting employee compensations, and were recognized under operating costs and operating expenses.

The employee compensations were compensations amounted to $110,563 thousand and $30,211 thousand consistent with the actual distributions. Related information can be accessedfrom the Market Observation Post System website.

(t) Non-operating income and expenses

(i) Interest income

	For the three months ended March 31	
	2022	**2021**
Interest income from bank deposits	$ 30,969	37,656
Other interest income	33,325	20,412
Total Interest income	**$ 64,294**	**58,068**

(ii) Other income

	For the three months ended March 31,	
	2022	**2021**
Rental income	**$ 45,258**	**38,177**

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Other gains and losses

	For the three months ended March 31, 2022	2021
Gain on disposal of property, plant and equipment	$ 1,885	4,367
Foreign currency exchange gain (loss)	869,501	(94,758)
Gain on financial assets at fair value through profit or loss	61,197	9,297
Other gains	199,234	177,898
Other losses	(123,031)	(32,375)
Net of other gains and losses	**$ 1,008,786**	**64,429**

(iv) Finance costs

	For the three months ended March 31, 2022	2021
Interest expense	$ 232,032	276,605
Less: capitalized interest	(56,843)	(55,466)
Interest expense from bank loans	**$ 175,189**	**221,139**
Capitalized interest rate	**1.13%-1.491%**	**0.800%-2.885%**

(u) 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(u) of the consolidated financial statements as of and for the year ended December 31, 2021 for the related detail disclosures on financial instruments.

(i) Exposure to currency risk

	March 31, 2022 Foreign currency (in thousand)	Exchange Rate	New Taiwan Dollars
Financial assets			
Monetary items			
USD	$ 719,997	28.6220	20,607,754
EUR	6,736	31.8722	214,691
JPY	86	0.2345	20
RMB	30,270	4.5087	136,478
Financial liabilities			
Monetary items			
USD	60,203	28.6220	1,723,130
EUR	482	31.8722	15,362
JPY	22,777	0.2345	5,341

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2021		
	Foreign currency (in thousand)	Exchange Rate	New Taiwan Dollars
Financial assets			
Monetary items			
USD	$ 658,356	27.6900	18,229,878
EUR	6,989	31.5030	220,174
JPY	18,812	0.2408	4,530
RMB	339	4.3431	1,472
Financial liabilities			
Monetary items			
USD	61,858	27.6900	1,712,848
EUR	335	31.5030	10,554
JPY	57,336	0.2408	13,807

	March 31, 2021		
	Foreign currency (in thousand)	Exchange Rate	New Taiwan Dollars
Financial assets			
Monetary items			
USD	$ 666,078	28.5310	19,003,871
EUR	3,536	33.3849	118,049
JPY	900	0.2582	232
RMB	14,505	4.3418	62,978
Financial liabilities			
Monetary items			
USD	91,179	28.5310	2,601,428
EUR	396	33.3849	13,220
JPY	78,333	0.2582	20,226

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% appreciation of the NTD against the USD, EUR, JPY and RMB as of 2022 would have decreased the net income before tax by $192,151 thousand and $165,503 thousand for the three months ended March 31, 2022 and 2021, 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 gain amounted to $869,501 thousand and loss $94,758 thousand for the three months ended March 31, 2022 and 2021, respectively.

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Liquidity risk

The following are the remaining contractual maturities at the end of the reporting period of financial liabilities, including estimated interest payments but excluding the impact of netting agreements:

	Carrying amount	Contractual cash flow	Within 6 months	6~12months	1~2years	2~5years	Over 5 years
March 31,2022							
Non-derivative financial liabilities							
Unsecured bank loans	$ 4,641,360	5,189,252	49,753	-	-	5,139,499	-
Unsecured Bonds payable	45,512,267	47,060,043	5,025,353	4,480,235	9,104,800	18,712,905	9,736,750
Accounts payable (including related parties)	12,697,651	12,697,651	12,697,651	-	-	-	-
Other payables (including related parties)	14,990,617	15,104,427	15,104,427	-	-	-	-
Loans from related parties	13,452,340	13,853,489	-	13,853,489	-	-	-
Other current liabilities	12,331,022	11,340,985	11,340,985	-	-	-	-
Employees' savings	152,410	153,012	153,012	-	-	-	-
Lease liabilities	153,600	182,258	21,294	12,613	7,863	23,590	116,898
	$ 103,931,267	**105,581,117**	**44,392,475**	**18,346,337**	**9,112,663**	**23,875,994**	**9,853,648**
December 31, 2021							
Non-derivative financial liabilities							
Unsecured bank loans	$ 8,564,996	8,877,555	4,394,316	-	-	4,483,239	-
Bonds payable	45,509,254	47,079,823	5,025,353	4,480,235	9,104,800	18,732,685	9,736,750
Short-term notes and bills payable	2,099,824	2,100,000	2,100,000	-	-	-	-
Accounts payable (including related parties)	15,970,645	15,970,645	15,970,645	-	-	-	-
Other payables (including related parties)	12,573,831	12,573,831	12,573,831	-	-	-	-
Loans from related parties	13,568,100	13,946,379	-	13,946,379	-	-	-
Other current liabilities	9,484,981	9,484,981	9,484,981	-	-	-	-
Employees' savings	107,272	107,696	107,696	-	-	-	-
Lease liabilities	147,607	176,925	13,304	13,304	7,863	23,590	118,864
	$ 108,026,510	**110,317,835**	**49,670,126**	**18,439,918**	**9,112,663**	**23,239,514**	**9,855,614**
March 31, 2021							
Non-derivative financial liabilities							
Unsecured bank loans	$ 16,802,818	17,173,926	15,029,798	-	-	2,144,128	-
Unsecured Bonds payable	40,912,977	42,869,260	2,918,555	-	9,661,880	20,963,435	9,325,390
Short-term notes and bills payable	17,597,142	17,600,000	17,600,000	-	-	-	-
Accounts payable (including related parties)	13,682,892	13,682,892	13,682,892	-	-	-	-
Other payables (including related parties)	6,991,120	6,991,120	6,991,120	-	-	-	-
Loans from related parties	14,693,465	15,201,271	-	-	15,201,271	-	-
Other current liabilities	8,751,197	8,751,197	8,751,197	-	-	-	-
Employees' savings	99,053	99,444	99,444	-	-	-	-
Lease liabilities	140,490	171,457	12,222	4,033	8,001	23,414	123,787
	$ 119,671,154	**122,540,567**	**65,085,228**	**4,033**	**24,871,152**	**23,130,977**	**9,449,177**

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Other market price risk

If the securities price changes at the reporting date (sensitivity analyses were performed using the same basis for both twelve-month period ended March 31, 2022 and 2021, and other factors remain unchanged), impacts on comprehensive income are as below:

	For the three months ended March 31,			
	2022		2021	
Prices of securities at the reporting date	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 1%	$ 1,120,563	-	1,106,914	-
Decreasing 1%	$ (1,120,563)	-	(1,106,914)	-

(iv) Fair value

1) Types 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)

	March 31, 2022				
		Fair value			
	Carrying value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Mandatorily at FVTPL	$ 1,431,901	-	1,431,901	-	1,431,901
Subtotal	1,431,901	-	1,431,901	-	1,431,901
Financial assets at fair value through OCI					
Listed stocks	111,878,857	111,878,857	-	-	111,878,857
Non-Listed stocks	177,450	-	177,450	-	177,450
Unquoted equity instruments at fair value	25,584,748	-	-	25,584,748	25,584,748
Subtotal	137,641,055	111,878,857	177,450	25,584,748	137,641,055
Financial assets measured at amortized cost					
Cash and cash equivalents	20,611,199	-	-	-	-
Notes and accounts receivable (including related parties)	25,409,277	-	-	-	-
Other receivables (including related parties)	10,299,486	-	-	-	-
Subtotal	56,319,962	-	-	-	-
Total	$ 195,392,918	111,878,857	1,609,351	25,584,748	139,072,956

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2022				
		Fair value			
	Carrying value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Bonds payable	$ 45,512,267	-	-	-	-
Short-term borrowings	202,163	-	-	-	-
Long-term debts (including current portion)	4,591,607	-	-	-	-
Loans from related parties	13,452,340	-	-	-	-
Accounts payable (including related parties)	12,697,651	-	-	-	-
Other payables (including related parties)	14,990,617	-	-	-	-
Other current liabilities	12,331,022	-	-	-	-
Lease liabilities	153,600	-	-	-	-
Total	**$ 103,931,267**	**-**	**-**	**-**	**-**

	December 31, 2021				
		Fair value			
	Carrying value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Mandatorily at FVTPL	$ 3,793,399	-	3,793,399	-	3,793,399
Subtotal	3,793,399	-	3,793,399	-	3,793,399
Financial assets at fair value through OCI					
Listed stocks	109,106,270	109,106,270	-	-	109,106,270
Unquoted equity instruments at fair value	210,600	210,600	-	-	210,600
	24,910,619	-	-	24,910,619	24,910,619
Subtotal	134,227,489	109,316,870	-	24,910,619	134,227,489
Financial assets measured at amortized cost					
Cash and cash equivalents	13,715,454	-	-	-	-
Notes and accounts receivable (including related parties)	25,604,440	-	-	-	-
Other receivables (including related parties)	8,728,575	-	-	-	-
Subtotal	48,048,469	-	-	-	-
Total	**$ 186,069,357**	**109,316,870**	**3,793,399**	**24,910,619**	**138,020,888**

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2021				
		Fair value			
	Carrying value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Bonds payable (including current portion)	$ 45,509,254	-	-	-	-
Short-term notes and bills payable	2,099,824	-	-	-	-
Short-term borrowings	4,484,676	-	-	-	-
Long-term debts (including current portion)	4,187,592	-	-	-	-
Loans from related parties	13,568,100	-	-	-	-
Accounts payable (including related parties)	15,970,645	-	-	-	-
Other payables (including related parties)	12,573,831	-	-	-	-
Other current liabilities	9,484,981	-	-	-	-
Lease liabilities	147,607	-	-	-	-
Total	$ 108,026,510	-	-	-	-

	March 31, 2021				
		Fair value			
	Carrying value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Mandatorily at FVTPL	$ 3,898,180	-	3,898,180	-	3,898,180
Subtotal	3,898,180	-	3,898,180	-	3,898,180
Financial assets at fair value through OCI					
Listed stocks	110,691,383	110,691,383	-	-	110,691,383
Unquoted equity instruments at fair value	20,161,756	-	-	20,161,756	20,161,756
Subtotal	130,853,139	110,691,383	-	20,161,756	130,853,139
Financial assets measured at amortized cost					
Cash and cash equivalents	17,305,150	-	-	-	-
Notes and accounts receivable (including related parties)	20,187,625	-	-	-	-
Other receivables (including related parties)	8,225,301	-	-	-	-
Subtotal	45,718,076	-	-	-	-
Total	$ 180,469,395	110,691,383	3,898,180	20,161,756	134,751,319

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2021				
		Fair value			
	Carrying value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Bonds payable (including current portion)	$ 40,912,977	-	-	-	-
Short-term notes and bills payable	17,597,142	-	-	-	-
Short-term borrowings	15,072,591	-	-	-	-
Long-term debts (including current portion)	1,829,280	-	-	-	-
Loans from related parties	14,693,465	-	-	-	-
Accounts payable (including related parties)	13,682,892	-	-	-	-
Other payables (including related parties)	6,991,120	-	-	-	-
Other current liabilities	8,751,197	-	-	-	-
Lease liabilities	140,490	-	-	-	-
Total	$ 119,671,154	-	-	-	-

2) Valuation techniques for financial instruments not measured at fair value

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

Financial liabilities measured at amortized cost.

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Valuation techniques for financial instruments measured at fair value

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

If the financial instruments possessed by the Group 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).

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4) Transfers between Level 1 and Level 2

Since the quoted prices in the emerging market were no longer active, the equity securities at fair value through other comprehensive income amounting to $177,450 thousand was transferred from Level 1 to Level 2 for the three months ended March 31, 2022. There was no transfer between the fair value hierarchy levels for the three months ended March 31, 2021.

5) Movement of financial instruments grouped into level 3

	Financial assets at fair value through other comprehensive income Unquoted equity instruments
January 1, 2022	$ 24,910,619
Total gains and losses recognized:	
In other comprehensive income	671,277
Effect of exchange rate changes	2,852
March 31, 2022	**$ 25,584,748**
January 1, 2021	$ 18,647,715
Total gains and losses recognized:	
In other comprehensive income	1,513,970
Effect of exchange rate changes	71
March 31, 2021	**$ 20,161,756**

6) The valuation procedures for fair value measurements being categorized within Level 3 is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price. According to the group's accounting policy, at the reporting date, the analysis of value changes of remeasured or reevaluated assets and liabilities is performed to ensure the reasonability of the evaluation results.

7) The quantitative information of significant unobservable inputs (Level 3)

Most of the group's financial instruments that use Level 3 inputs have only one significant unobservable input. Only equity investment with no-active markets have multiple significant unobservable inputs.

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income – unquoted equity instruments	Market comparable companies	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITA multiple, discount for lack of marketability	The higher the multiple, the higher the fair value
	Net Asset Value Method	Not applicable	Not applicable

8) Valuation model used in Level 3 fair value measurement - sensitivity analysis of the fair value to the reasonable replaceable assumption

The valuation models and assumptions used to measure the fair value of the financial instruments is reasonable. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

	Input	Change	Recognized in other comprehensive income: Favorable change	Recognized in other comprehensive income: Unfavorable change
March 31, 2022				
Financial assets at fair value through other comprehensive income – unquoted equity instruments	Price to earnings ratio multiple price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITA multiple, discount for lack of marketability	± 1%	$ 204,416	(204,416)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Input	Change	Recognized in other comprehensive income	
			Favorable change	Unfavorable change
December 31, 2021				
Financial assets at fair value through other comprehensive income – unquoted equity instruments	Price to earnings ratio multiple price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITA multiple, discount for lack of marketability	± 1%	$ 200,830	(200,830)
March 31, 2021				
Financial assets at fair value through other comprehensive income – unquoted equity instruments	Price to earnings ratio multiple price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITA multiple, discount for lack of marketability	± 1%	$ 162,290	(162,290)

(v) Financial risk management

There were no material changes in financial risk management in comparison to Note 6(v) of the consolidated financial statements as of and for the year ended December 31, 2021.

(w) Capital management

There were no material changes in capital management target adopted for capital management in comparison to Note 6(w) of the consolidated financial statements as of and for the year ended December 31, 2021.

(x) Changes in liabilities come from financing activities

Changes of liabilities arising from financing activities were as follows:

	January 1, 2022	Change in cash flows	Changes in non-cash	Effect of exchange rate changes	March 31, 2022
Short-term borrowings	$ 4,484,676	(4,285,860)	-	3,347	202,163
Short-term notes and bills payable	2,099,824	(2,100,000)	176	-	-
Long term debts (including current portion)	4,187,592	242,546	-	161,469	4,591,607
Bonds payable (including current portion)	45,509,254	-	3,013	-	45,512,267
Lease liabilities	147,607	(9,885)	15,878	-	153,600
Loans from related parties	13,568,100	(572,440)	-	456,680	13,452,340
Total liabilities arisings from financing activities	$ 69,997,053	(6,725,639)	19,067	621,496	63,911,977

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	January 1, 2020	Change in cash flows	Changes in non-cash	Effect of exchange rate changes	March 31, 2021
Short-term borrowings	$ 15,356,724	(278,657)	-	(5,476)	15,072,591
Short-term notes and bills payable	16,996,824	600,000	318	-	17,597,142
Long term debts (including current portion)	3,569,776	(1,730,046)	-	(10,450)	1,829,280
Bonds payable (including current portion)	40,910,455	-	2,522	-	40,912,977
Lease liabilities	143,375	(9,453)	6,568	-	140,490
Loans from related parties	14,396,540	283,911	-	13,014	14,693,465
Total liabilities arisings from financing activities	**$ 91,373,694**	**(1,134,245)**	**9,408**	**(2,912)**	**90,245,945**

(7) Related-party transactions:

(a) Name of related parties

Name of related party	Relationship with Consolidated Company
Formosa Petrochemical Corporation	Associates
Formosa Plastics Corp., U.S.A.	Associates
Formosa Heavy Industries Corp.	Associates
Mai Liao Power Corp.	Associates
Formosa Sumco Technology Corporation	Associates
Formosa Transportation Corp.	Associates
Wha Ya Park Management Consulting Corporation Ltd.	Associates
Formosa Resources Corporation	Associates
Formosa Group (Cayman) Limited	Associates
Hua Ya Power Corp.	Associates
Formosa Heavy Industries (Ningbo) Corp.	Associates
Japan Formosa Sumco Technology Corp.	Associates
Fujian Fuxin Special Steel Co., Ltd.	Associates
Formosa Transportation (Ningbo) Corp.	Associates
Formosa Automobile Corporation	Associates
Formosa Plastics Construction Corporation	Associates
Formosa Asahi Spandex Co., Ltd.	Joint venture
Formosa Daikin Advanced Chemical Co., Ltd.	Joint venture
Formosa Mitsui Advanced Chemical Co., Ltd.	Joint venture
Formosa Tokuyama Advanced Chemicals Co., Ltd.	Joint venture
Nan Ya Plastics Corporation	Other related parties
Formosa Chemicals and Fiber Corporation	Other related parties
Chang Gung Medical Foundation	Other related parties

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of related party	Relationship with Consolidated Company
Nan Ya PCB Corporation	Other related parties
PFG Fiber Glass Corporation	Other related parties
Nan Chung Petrochemical Corporation	Other related parties
Nan Ya Plastics (HongKong) Co,. Ltd.	Other related parties
Nan Ya Plastics (Guangzhou) Co., Ltd.	Other related parties
Nan Ya Plastics (Nantong) Co., Ltd.	Other related parties
Nan Ya Plastics Film (Huizhou) Co., Ltd.	Other related parties
Nan Ya Plastics (Xiamen) Co., Ltd.	Other related parties
Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Other related parties
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Other related parties
Nan Ya Plastics (Ningbo) Co., Ltd.	Other related parties
Nan Ya Plastics (Indonesia) Co., Ltd.	Other related parties
Nan Ya Plastics Corporation America	Other related parties
Formosa Industries Corp., Vietnam	Other related parties
Formosa Taffeta Co., Ltd.	Other related parties
Formosa INEOS Chemicals Corporation	Other related parties
Formosa Biomedical Technology Corp.	Other related parties
Formosa Carpet Co., Ltd.	Other related parties
Formosa Idemitsu Petrochemical Corp.	Other related parties
Hong Jing Resources Corp.	Other related parties
Formosa Power (Ningbo) Co., Ltd.	Other related parties
Formosa Chemicals Industries (Ningbo) Co., Ltd.	Other related parties
Formosa Plastics Marine Corp.	Other related parties
Formosa Group Ocean Marine Corp	Other related parties
Formosa Ha Tinh Steel Corporation	Other related parties
Nan Ya Technology Corporation	Other related parties
Nan Ya Plastics Corporation USA	Other related parties
Inteplast Taiwan Corporation	Other related parties
Formosa Ha Tinh (Cayman) Ltd.	Other related parties
Xiamen Chang Gung hospital	Other related parties
Formosa Port (Ningbo) Co., Ltd.	Other related parties
Chang Gung Biotechnology Corporation	Other related parties
Formosa Technologies Corporation	Other related parties
INTEPLAST GROUP	Other related parties
Chang Gung University	Other related parties
Kaohsiung Cultural Foundation of Brothers Wang Yung-ching and Wang Yung-tsal Park	Other related parties

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Significant related-party transactions

(i) Sales to related parties

The Group's significant sales to related parties were as follows:

	For the three months ended March 31, 2022	For the three months ended March 31, 2021
Associates	$ 4,051,979	1,871,202
Joint ventures	31,276	34,916
Other related parties	8,036,622	6,600,784
	$ 12,119,877	**8,506,902**

The receivables from related parties were as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Associates	$ 2,491,239	1,330,918	1,096,195
Joint ventures	10,196	13,477	8,067
Other related parties	3,265,706	3,344,308	2,888,433
	$ 5,767,141	**4,688,703**	**3,992,695**

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, O/A 90 days or L/C at sight.

(ii) Purchase from related parties

The Group's significant purchases from related parties were as follows:

	For the three months ended March 31, 2022	For the three months ended March 31, 2021
Associates		
Formosa Petrochemical Corporation	$ 23,461,643	20,584,064
Other	2,569,049	1,833,113
Other related parties	1,117,427	1,528,495
	$ 27,148,119	**23,945,672**

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The payables from related parties were as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Associates			
Formosa Petrochemical Corporation	$ 9,541,698	7,340,397	8,414,802
Other	109,738	517,205	414,757
Other related parties	568,312	344,145	822,149
	$ 10,219,748	8,201,747	9,651,708

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.

(iii) Property plant and equipment

1) There were no receivables on March 31, 2022, December 31 and March 31, 2021.

2) Purchase property, plant and equipment

Purchase of equipment (recognized as property, plant and equipment) from related parties were as follow：

	For the three months ended March 31,	
	2022	2021
Other related parties	$ 200,748	60,946

The outstanding balance of the Group at the end of the period is as follow (recognized as other payable-related parties):

	March 31, 2022	December 31, 2021	March 31, 2021
Other related parties	$ 186,338	76,497	92,263

3) Acquisition of financial assets

The Group has no related transactions for the three months ended March 31, 2022.

	Financial Statement Account	Number of Shares (in thousands)	Transaction Shares	For the three months ended March 31,2021
Associates-				
Formosa Resources Corporation	Investments accounted for using equity method	88,453	Shares of stock of Formosa Resources Corporation shares	$ 884,531

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Loans to related parties

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

1)

	Due from related parties (recognized as other receivables-related parties)		
	March 31, 2022	**December 31, 2021**	**March 31, 2021**
Associates			
Formosa Heavy Industries Corp.	$ 1,000,000	-	-
Formosa Heavy Industries (Ningbo) Corp	2,254,340	2,171,526	1,302,528
Joint ventures	798,036	691,848	247,480
Other related parties			
Formosa Group Ocean Marine Corp.	2,753,168	2,622,190	3,853,976
	$ 6,805,544	**5,485,564**	**5,403,984**

As of March 31, 2022, December 31 and March 31, 2021, the interest income receivables from the abovementioned transactions amounted to $20,721 thousand, $58,792 thousand and $11,654 thousand, respectively, which was recognized as other receivables-related parties.

2)

	Due to related parties (recognized as other payables–related parties)		
	March 31, 2022	**December 31, 2021**	**March 31, 2021**
Associates			
Formosa Plastics Corp., U.S.A.	**$ 13,452,340**	**13,568,100**	**14,693,465**

As of March 31, 2022, December 31 and March 31, 2021, the accrued interest expense from the abovementioned transactions amounted to $17,300 thousand, $15,703 thousand and $17,315 thousand respectively, which was recognized as other current liabilities.

(v) Endorsements and guarantees

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

	March 31, 2022	**December 31, 2021**	**March 31, 2021**
Associates			
Formosa Group (Cayman) Limited	$ 7,155,500	6,922,500	7,132,750
Formosa Resources Corporation	-	-	3,067,083
Other related Parties			
Formosa Ha Tinh (Cayman) Ltd.	4,989,902	6,568,456	16,895,419
	$ 12,145,402	**13,490,956**	**27,095,252**

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vi) Other transactions

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

	Other receivables–related parties		
	March 31, 2022	**December 31, 2021**	**March 31, 2021**
Associates	$ 27	15	15
Joint ventures	1,131	1,090	4
Other related parties	25,674	22,618	9,470
	$ 26,832	**23,723**	**9,489**

2) 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, 2022	**December 31, 2021**	**March 31, 2021**
Associates	$ 2,288,824	1,917,444	1,348,587
Other related parties	251,477	227,503	215,431
	$ 2,540,301	**2,144,947**	**1,564,018**

(vii) Receivables from payment on behalf of related parties

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

	Other receivables–related parties		
	March 31, 2022	**December 31, 2021**	**March 31, 2021**
Associates			
Fujian Fuxin Special steel Cor., Ltd	**$ 1,743,694**	**1,794,541**	**1,983,021**

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(viii) Rental (recognized as other income)

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

	For the three months ended March 31, 2022	For the three months ended March 31, 2021
Associates		
Formosa Petrochemical Corporation	$ 4,142	4,142
Formosa Heavy Industries Corp.	14,555	14,691
Other	8,518	1,742
Joint ventures		
Other	6,362	5,200
Other related parties		
Nan Ya Plastics Corporation	5,370	6,066
Other	3,797	12,486
	$ 42,744	**44,327**

The rentals charged to related parties are determined based on the local market prices, and rents are collected depending on the contract periods (e.g. monthly, semi-annually or annually).

(c) Compensation of key management

The compensation to key management was as follows:

	For the three months ended March 31, 2022	For the three months ended March 31, 2021
Short-term employee benefits	**$ 15,941**	**18,449**

(8) Pledged assets:

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

Classification of assets	Nature of Pledged Assets	March 31, 2022	December 31, 2021	March 31, 2021
Property plant and equipment	Land and building	$ 2,154,539	2,154,928	2,156,153
Refundable deposits (classified under other non-current assets)	Certificate of deposit	118,813	99,101	92,675
		$ 2,273,352	**2,254,029**	**2,248,828**

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(9) Commitments and contingencies:

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

	March 31, 2022	December 31, 2021	March 31, 2021
Endorsements and guarantees	$ 12,145,402	13,490,956	27,095,252

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

	March 31, 2022	December 31, 2021	March 31, 2021
Unused outstanding letters	$ 1,337,419	979,156	354,414

(c) As of March 31, 2022, the Company’ s investee, Formosa Ha Tinh (Cayman) Ltd. and Formosa Ha Tinh Steel Corporation, signed several contracts of syndicated credit lines with different banks amounting of US$3,172,500 thousand and US$2,602,500 thousand for its operational needs, respectively. According to the requirement of the bank consortium, the Company, together with the other related parties, have to issue a letter of undertaking and to manage the necessary funds to fulfill the repayment of obligations when needed.

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(12) Other:

(a) The nature of operating costs and expenses of the Group was as follows:

	For the three months ended March 31, 2022				For the three months ended March 31, 2021			
	Operating costs	Operating expenses	Non-operating expenses	Total	Operating costs	Operating expenses	Non-operating expenses	Total
Employee benefits								
Salaries	1,461,976	950,929	-	2,412,905	1,403,138	926,232	-	2,329,370
Labor and health insurance	122,842	71,601	-	194,443	119,316	70,449	-	189,765
Pension	83,721	40,662	-	124,383	84,430	40,926	-	125,356
Remuneration of directors	-	2,320	-	2,320	-	1,840	-	1,840
Others	82,888	25,790	-	108,678	75,849	24,968	-	100,817
Depreciation expenses	1,440,972	419,484	520	1,860,976	1,407,482	420,900	521	1,828,903
Amortization expenses	126,231	322	14,794	141,347	339,338	360	2,522	342,220

(b) Seasonality of operations

The Group's operations were not affected by seasonality or cyclicality factors.

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The significant transactions required by the "Guidelines" for the Company were as follows:

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

(In Thousands of New Taiwan Dollars)

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing	Note
													Item	Value			
0	The Company	Formosa Petrochemical Corp.	Other receivables-related parties	Yes	4,500,000	4,500,000	-	1.088%	2	-	Short-term financing	-	-	-	85,613,462	171,226,925	
0	The Company	Formosa Chemicals & Fiber Corp.	Other receivables-related parties	Yes	4,500,000	4,500,000	-	1.088%	2	-	Short-term financing	-	-	-	85,613,462	171,226,925	
0	The Company	Nan Ya plastic Corp.	Other receivables-related parties	Yes	4,500,000	4,500,000	-	1.088%	2	-	Short-term financing	-	-	-	85,613,462	171,226,925	
0	The Company	Formosa Heavy Industries Corp.	Other receivables-related parties	Yes	6,700,000	6,700,000	1,000,000	1.088%	2	-	Short-term financing	-	-	-	85,613,462	171,226,925	
0	The Company	Formosa Group Ocean Marine Corp.	Other receivables-related parties	Yes	3,000,104	2,933,168	2,753,168	0.980%~ 1.088%	2	-	Short-term financing	-	-	-	85,613,462	171,226,925	
0	The Company	Japan Formosa Sumco Technology Corp.	Other receivables-related parties	Yes	700,000	700,000	-	1.000%	2	-	Short-term financing	-	-	-	85,613,462	171,226,925	
1	Formosa Industries(Ningbo) Co., Ltd.	Formosa Mitsui Advanced Chemical Co., Ltd.	Other receivables-related parties	Yes	1,411,317 (CNY313,000)	1,411,317 (CNY313,000)	798,036 (CNY177,000)	2.960%~ 3.080%	2	-	Short-term financing	-	-	-	21,634,525	54,086,313	Note 4
1	Formosa Industries (Ningbo) Co., Ltd.	Formosa Heavy Industries (Ningbo) Corp.	Other receivables-related parties	Yes	3,832,650 (CNY850,000)	2,705,400 (CNY600,000)	2,254,340 (CNY500,000)	2.960%~ 3.080%	2	-	Short-term financing	-	-	-	27,043,157	54,086,313	Note 4

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, 2022.

(2) The Company grants financing to a related party even if the Company has no normal business transactions with the entity. However, such financing is limited to 25% of the related party's equity based on the current independent auditor's report.

(3) The Company grants financing to an entity even if the Company has no normal business transactions with the entity. However, such financing is limited to 20% of the Company's equity based on the current independent auditor's report.

(4) The ceiling on loans granted by a subsidiary to others shall not be more than 100% of the Company's net assets, and ceiling on loans granted a short-term financing borrower with no business transactions shall not be more than 40% of the Company's net assets.

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

Note 4: The exchange rate of New Taiwan dollars to CNY dollars was 4.509 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 4.5086800 to 1 for the actual usage during the period.

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement: Name	Counter-party of guarantee and endorsement: Relationship with the Company (Note 2)	Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
0	The Company	Formosa Group (Cayman) Limited	6	278,243,753	7,155,500	7,155,500	7,155,500	-	1.67 %	556,487,506	N	N	N
0	The Company	Formosa Ha Tinh (Cayman) Limited	6	278,243,753	6,601,191	4,989,902	4,989,902	-	1.17 %	556,487,506	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 seven 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 and indirectly more than 50% of the voting shares of the subsidiaries.

(3) In aggregate, the Company holds directly or its subsidiaries hold indirectly more than 50% of the investee.

(4) Subsidiaries in which the Company holds directly or indirectly more than 90% of the voting shares make endorsement and guarantees for each other.

(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.

(7) According to Consumer Protection Act, companies are required to provide guarantees and endorsements for joint and several liability if take part in business of preconstruction real estate.

Note 3: In accordance with Company's procedures of endorsements and guarantees, limit on the Company's total guarantee amount is 130% of the Company's net assets, the limit on endorsement/guarantee to a single party is 50% of the aforementioned total amount.

(iii) Securities held as of March 31, 2022 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance: Shares/Units (thousands)	Ending balance: Carrying value	Ending balance: Percentage of ownership (%)	Ending balance: Fair value	Note
The Company	Asian Pacific Investment Corp.	Other related parties	Financial assets at fair value through other comprehensive income-non-current	68,743	3,204,799	16.17 %	3,204,799	
The Company	Mai-Liao Harbor Administration Corp.	Other related parties	Financial assets at fair value through other comprehensive income-non-current	39,574	1,257,878	17.99 %	1,257,878	
The Company	Taiwan Aerospace Corp.	-	Financial assets at fair value through other comprehensive income-non-current	1,103	15,976	0.81 %	15,976	
The Company	Chinese Television System Inc.	-	Financial assets at fair value through other comprehensive income-non-current	1,769	49,715	1.05 %	49,715	
The Company	China Investment & Development Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	1,287	3,238	0.80 %	3,238	
The Company	Formosa Plastics Development Corp.	Other related parties	Financial assets at fair value through other comprehensive income-non-current	19,088	291,089	18.00 %	291,089	

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Xiangho Aircraft Leasing Corp.	Other related parties	Financial assets at fair value through other comprehensive income-non-current	2,071	-	9.55 %	-	
The Company	Formosa Petrochemical Transportation Corporation, Ltd.	Other related parties	Financial assets at fair value through other comprehensive income-non-current	2,642	77,927	12.00 %	77,927	
The Company	Formosa Technologies Corporation	Other related parties	Financial assets at fair value through other comprehensive income-non-current	2,925	195,565	12.50 %	195,565	
The Company	Formosa Plastics Marine Corp.	Other related parties	Financial assets at fair value through other comprehensive income-non-current	2,429	541,919	15.00 %	541,919	
The Company	Formosa Group Ocean Investment Corp.	Other related parties	Financial assets at fair value through other comprehensive income-non-current	3	5,299,136	19.00 %	5,299,136	
The Company	Formosa Plastics Maritime Corp.	Other related parties	Financial assets at fair value through other comprehensive income-non-current	354	353,692	18.11 %	353,692	
The Company	Guangyuan Investment Corp.	-	Financial assets at fair value through other comprehensive income-non-current	3,750	39,413	3.91 %	39,413	
The Company	Central Leasing International Corp.	-	Financial assets at fair value through other comprehensive income-non-current	2,373	-	1.43 %	-	
The Company	Inteplast Taiwan Corporation	Other related parties	Financial assets at fair value through other comprehensive income-non-current	2,160	50,163	18.00 %	50,163	
The Company	Mega Growth Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	2,500	19,750	1.97 %	19,750	
The Company	Minima Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	7,405	156,171	18.99 %	156,171	
The Company	Formosa Ha Tinh (Cayman) Limited	Other related parties	Financial assets at fair value through other comprehensive income-non-current	621,178	13,867,903	11.43 %	13,867,903	
				-	25,424,334		25,424,334	
The Company	Nan Ya Plastics Corporation	Other related parties	Current financial assets at fair value through other comprehensive income	783,357	73,008,860	9.88 %	73,008,860	
The Company	Formosa Chemicals & Fibre Corporation	Other related parties	Current financial assets at fair value through other comprehensive income	198,744	15,700,771	3.39 %	15,700,771	
The Company	Nan Ya Technology Corp.	Other related parties	Current financial assets at fair value through other comprehensive income	334,815	23,169,226	10.81 %	23,169,226	
The Company	Puriblood medicalCo,.Ltd	Other related parties	Current financial assetsat fair value throughother comprehensiveincome	1,300	177,450	9.14 %	177,450	
				-	**112,056,307**		**112,056,307**	
The Company	Mega Prosperity Private Placement Fund	Other related parties	Current financial assets at fair value through profit or loss	4,554	**1,431,901**	9.12 %	**1,431,901**	
Formosa Plastics Corp. (Cayman Ltd)	Swancor (Jiangsu) Carbon Fiber Composite Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	-	160,414	16.11 %	160,414	

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of $300 thousand or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount
The Company	Mega Prosperity Private Placement Fund	Current financial assets at fair value through profit or loss			12,479	3,793,399	-	-	7,925	2,422,695	2,602,065	(179,370)	4,554	1,431,901 (Note 1)

Note 1 : The ending balance includes the net gain of financial assets at fair value through profit or loss of $240,567 thousand recognized at the end of the period.

(v) Acquisition of individual real estate with amount exceeding the lower of $300 thousand or 20% of the capital stock: None

(vi) Disposal of individual real estate with amount exceeding the lower of $300 thousand or 20% of the capital stock: None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of $100 thousand or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Nan Ya Plastics Corporation	Other related parties	(Sales)	(4,272,133)	(7.68)%	Before the 27th of the following month	-		1,661,403	9.27%	
The Company	Formosa Chemicals & Fiber Corporation	〃	〃	(1,743,088)	(3.13)%	Before the 27th of the following month	-		705,924	3.94%	
The Company	Formosa Petrochemical Corporation	Associates	〃	(2,363,063)	(4.25)%	Before the 27th of the following month	-		882,158	4.93%	
The Company	Nan Ya Plastics (Guangzhou) Co., Ltd.	〃	〃	(104,259)	(0.19)%	O/A 60 days	-		77,862	0.43%	
The Company	Formosa ABS Plastics (Ningbo) Co., Ltd.	Other related parties	〃	(305,208)	(0.55)%	O/A 60 days	-		152,541	0.85%	
The Company	Formosa Industries Corp., Vietnam	Other related parties	〃	(114,052)	(0.20)%	O/A 60 days	-		47,811	0.27%	
The Company	Formosa Industries (Ningbo) Co., Ltd.	Parent-subsidiary	〃	(3,066,630)	(5.51)%	O/A 90 days	-		1,694,278	9.46%	Note1
The Company	Formosa Plastics Corp., U.S.A.	Associates	〃	(1,543,115)	(2.77)%	O/A 90 days	-		1,575,236	8.79%	
Formosa Industries (Ningbo) Co., Ltd.	The Company	Parent-subsidiary	〃	(512,640)	(3.45)%	Before the 30th of the following month	-		52,285	0.65%	Note1
Formosa Industries (Ningbo) Co., Ltd.	Nan Ya Plastics (Nantong) Co., Ltd.	Other related parties	〃	(230,441)	(1.55)%	Before the 30th of the following month	-		103,106	1.29%	
Formosa Industries (Ningbo) Co., Ltd.	Nan Ya Plastics (Guangzhou) Co., Ltd.	〃	〃	(160,625)	(1.08)%	Before the 30th of the following month	-		90,740	1.13%	
Formosa Industries U.S.A Co. Ltd	Inteplast Group	Other related parties	〃	(693,024)	(17.38)%	Before the 10th of the following month	-		242,602	20.59%	

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Nan Ya Plastics Corporation	Other related parties	Purchase	475,456	1.39 %	Before the 27th of the following month	-		(213,892)	(2.03)%	
The Company	Formosa Chemicals & Fiber Corporation	〃	〃	483,951	1.41 %	Before the 27th of the following month	-		(226,721)	(2.15)%	
The Company	Formosa Petrochemical Corporation	Associates	〃	23,461,643	68.36 %	Before the 27th of the following month	-		(9,541,698)	(90.51)%	
The Company	Formosa Heavy Industries Corp.	〃	〃	522,901	1.52 %	Before the 27th of the following month	-		(7,280)	(0.07)%	
Formosa Industries (Ningbo) Co., Ltd.	The Company	Parent-subsidiary	〃	7,923,599	59.59 %	O/A 90 days	-		(3,294,371)	(63.46)%	Note Note1
Formosa Industries (Ningbo) Co., Ltd.	Nan Ya Plastics Corporation	Other related parties	〃	101,174	0.76 %	O/A 90 days	-		(98,401)	(1.90)%	
Formosa Industries U.S.A Co. Ltd.	Formosa Plastics U.S.A Co. Ltd.	Associates	〃	2,046,148	93.72 %	Before the 10th of the following month	-		(102,458)	(58.84)%	

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

Note1：The transaction has already been written off in the consolidated financial statements.

(viii) Receivables from related parties with amounts exceeding the lower of $100 thousand or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts	Note
					Amount	Action taken			
The Company	Nan Ya Plastics Corporation	Other related parties	1,661,403	10.66 %	-		1,171,408	-	
The Company	Formosa Chemicals & Fiber Corporation	〃	705,924	10.73 %	-		431,497	-	
The Company	Formosa Petrochemical Corporation	Associates	882,158	11.87 %	-		572,755	-	
The Company	Formosa ABS Plastics (Ningbo) Co., Ltd.	Other related parties	152,541	3.69 %	-		128,813	-	
The Company	Formosa Industries (Ningbo) Co., Ltd.	Parent subsidiary	1,694,278	6.71 %	-		513,240	-	Note
The Company	Formosa Plastics Corp., U.S.A.	Associates	1,575,236	5.66 %	-		283,046	-	
The Company	Formosa Heavy Industries Corp.	Associates	1,000,000	-	-		-	-	
The Company	Formosa Group Ocean Marine Corp.	Other related parties	2,753,168	-	-		-	-	
The Company	Fujian Fuxin Special Steel Co., Ltd	Associates	1,743,694	-	-		-	-	Note
The Company	Formosa Industries (Ningbo) Co., Ltd.	Parent-subsidiary	1,600,093	-	-		-	-	
Formosa Industries (Ningbo) Co., Ltd.	Nan Ya Plastics(Nantong) Co.,Ltd.	Parentsubsidiary	103,106	-	-		-	-	
Formosa Industries (Ningbo) Co., Ltd.	Formosa Mitsui Advanced Chemical Co., Ltd.	joint venture	798,036	-	-		-	-	
Formosa Industries (Ningbo) Co., Ltd.	Formosa Heavy Industries(Ningbo) Corp	Associates	2,254,340	-	-		-	-	
Formosa Industries U.S.A Co. Ltd	INTEPLAST GROUP	Other related parties	242,602	-	-		-	-	

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

(ix) Trading in derivative instruments:Please refer to notes .

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(i) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	Formosa Industries (Ningbo) Co., Ltd.	1	Sales	3,066,630	O/A 90 days	4.32%
0	The Company	Formosa Industries (Ningbo) Co., Ltd.	1	Accounts receivable	1,694,278	〃	0.30%
0	The Company	Formosa Industries (Ningbo) Co., Ltd.	1	Other revenue (Note 3)	4,856,969	O/A 60 days	6.84%
0	The Company	Formosa Industries (Ningbo) Co., Ltd.	1	Other receivables－related parties	1,600,093	〃	0.28%
1	Formosa Industries (Ningbo) Co., Ltd	The Company	2	Sales	512,640	Before the 30th of the following month	0.72%
1	Formosa Industries (Ningbo) Co., Ltd	The Company	2	Accounts receivable	52,285	〃	0.01%
2	Formosa Industries Corporation U.S.A	The Company	2	Sales	63,494	Before the 10th of the following month	0.09%
2	Formosa Industries Corporation U.S.A	The Company	2	Accounts receivable	829	〃	-%

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.

(b) Information on investees:

The following is the information on investees for the three months ended March 31, 2022 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2022			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2022	December 31, 2021	Shares (thousands)	Ownership	Carrying value			
The Company	Formosa Petrochemical Corporation	Taiwan	Petrochemicals	30,144,951	30,144,951	2,720,549	28.56 %	105,686,442	13,656,651	3,908,148	Note, Note 2
The Company	Formosa Plastics Corp., U.S.A.	U.S.A	Chemicals	5,614,024	5,614,024	70	22.66 %	71,506,258	7,834,239	1,775,058	Note, Note 2
The Company	Formosa Heavy Industries Corp.	Taiwan	Mechanical equipment	2,498,463	2,498,463	656,639	32.92 %	7,617,969	62,124	14,025	Note, Note 2
The Company	Sky Dragon Investment Limited	Samoa	Investment	13,221,416	13,221,416	425,800	50.00 %	4,563,076	(276,321)	(138,160)	Note, Note 2
The Company	Formosa Plastics Corp. (Cayman Ltd.)	Cayman	Investment	27,347,136	27,347,136	78	100.00 %	54,803,091	1,476,104	1,476,104	Note, Note 1
The Company	Mai Liao Power Corp.	Taiwan	Electricity	5,985,531	5,985,531	764,201	24.94 %	12,552,215	(1,221,115)	(304,572)	Note, Note 2
The Company	Formosa Sumco Technology Corp.	Taiwan	Electronics manufacture	1,709,987	1,709,987	112,708	29.06 %	6,348,155	1,001,987	291,174	Note, Note 2
The Company	Formosa Transportation Corp.	Taiwan	Transportation	110,664	110,664	6,566	33.33 %	1,253,324	130,434	43,478	Note, Note 2
The Company	Formosa Fairway Corp.	Taiwan	Transportation	33,330	33,330	4,698	33.33 %	43,565	(16,950)	(5,649)	Note 2
The Company	Yi-Jih Development Corp.	Taiwan	Construction	12,003	12,003	1,200	28.72 %	19,679	(13)	(4)	Note 2
The Company	Ya Tai Development Corp.	Taiwan	Development of land	54,034	54,034	1,306	45.04 %	19,328	(89)	(40)	Note 2
The Company	Formosa Asahi Spandex Co., Ltd.	Taiwan	Artificial fiber	501,752	501,752	50	50.00 %	1,310,617	100,190	50,095	Note 2
The Company	Formosa Automobile Corporation	Taiwan	Automobile	270,442	270,442	27,044	45.00 %	513,811	100,370	45,165	Note 2
The Company	Wha Ya Park Management Consulting Corporation Ltd.	Taiwan	Consulting service	341	341	33	33.00 %	3,199	12	4	Note 2
The Company	Formosa Daikin Advanced Chemical Co., Ltd.	Taiwan	Chemical industry	100,000	100,000	24	50.00 %	1,342,622	22,051	11,026	Note 2
The Company	Formosa Resources Corporation	Taiwan	Mining industry	8,300,471	8,300,471	830,047	25.00 %	6,767,209	(372,462)	(93,116)	Note, Note 2

(Continued)

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount: March 31, 2022	Original investment amount: December 31, 2021	Balance as of March 31, 2022: Shares (thousands)	Balance as of March 31, 2022: Ownership	Balance as of March 31, 2022: Carrying value	Net income (losses) of investee	Share of profits/losses of investee	Note
The Company	Formosa Environmental Technology Corporation	Taiwan	Environmental industry	417,145	417,145	41,714	24.34 %	229,414	2,492	607	Note, Note 2
The Company	Formosa Plastics Construction Corporation	Taiwan	Construction	600,000	600,000	60,000	33.33 %	589,996	(11,363)	(3,788)	Note 2
The Company	Formosa Group (Cayman) Limited	Cayman	Investment	377	377	13	25.00 %	693,479	35,622	8,905	Note, Note 2
The Company	Formosa Industries Corporation	U.S.A	Chemicals	15,640,245	15,640,245	5	100.00 %	13,351,060	(276,751)	(276,751)	Note, Note 1
The Company	Japan Tokuyama Co., Ltd.	Taiwan	Semiconductor	500,000	500,000	50,000	50.00 %	446,323	(21,553)	(10,776)	Note 2
Formosa Plastics Corp. (Cayman Ltd.)	Formosa Industries (Hong Kong) Limited	Hong Kong	Reinvestment	15,801,889	15,801,889	-	100.00 %	54,594,125	1,479,449	1,479,449	Note, Note 1, Note3
				(USD501,902)	(USD501,902)			(USD1,907,418)	(USD52,786)	(USD52,786)	
Formosa Industries Corporation	Formosa Olefins, L.L.C.	U.S.A	Olefins	3,527,939	3,527,939	-	33.00 %	5,541,639	216,814	71,549	Note 2, Note 3
				(USD108,075)	(USD108,075)			(USD193,615)	(USD7,736)	(USD2,553)	
Formosa Industries Corporation	Lolita Packaging, L.L.C.	U.S.A	Transportation	306,478	306,478	-	38.00 %	-	(551,144)	(209,435)	Note 2, Note 3
				(USD9,880)	(USD9,880)			(USD-10,017)	(USD-19,665)	(USD-7,473)	

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, 2022 was 28.6220 to 1. The average exchange rate of New Taiwan dollars to US dollars for the year ended March 31, 2022, was 28.0273 to 1.

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows: Outflow	Investment flows: Inflow	Accumulated outflow of investment from Taiwan as of March 31, 2022	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
Formosa Industries (Ningbo) Co., Ltd.(note 2)	Plastics	31,188,509	(2)	26,928,755	-	-	26,928,755	1,457,862	100.00%	1,457,862	54,086,313	-
		(USD989,023)		(USD845,270)			(USD845,270)	(USD52,016)		(USD52,016)	(USD1,889,676)	
Formosa Electronic (Ningbo) Co., Ltd.(note 2)	Electronics	74,648	(2)	66,137	-	-	66,137	21,587	100.00%	21,587	507,811	-
		(USD2,260)		(USD2,000)			(USD2,000)	(USD770)		(USD770)	(USD17,742)	
Formosa Mitsui Advanced Chemical Co., Ltd.	Electrolyte	244,196	(2)	250,548	-	-	250,548	(6,614)	50.00%	(3,307)	79,013	-
		(USD8,200)		(USD8,700)			(USD8,700)	(USD-236)		(USD-118)	(USD2,761)	
Fujian Fuxin Special Steel Co., Ltd	Steel	34,347,344	(2)	13,221,416	-	-	13,221,416	(473,730)	29.16%	(138,160)	4,598,550	-
		(USD1,460,000)		(USD425,800)			(USD425,800)	(USD-16,902)		(USD-4,929)	(USD160,665)	
Swancor (Jiangsu) Carbon Fiber Composite Co., Ltd.	Carbon fiber	616,986	(2)	99,993	-	-	99,993	(20,090)	16.11%	-	160,414	-
		(USD19,000)		(USD3,060)			(USD3,060)	(USD-717)			(USD5,604)	

Note1：Investment methods are classified into the following three categories.
(1) Directly invest in a company in Mainland China.
(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
(3) Others.

Note 2：The transaction has already been written off in the consolidated financial statements.

Note 3：The amount is based on financial statements reviewed by CPA of Formosa Plastic Corp.(the mother company), except for Formosa Mitsui Advanced Chemical Co., LTD and Fujian Fuxin Special Steel Co., Ltd., which are evaluated based on financial statements that have not been reviewed, and for Swanc or (Jiangsu) Carbon Fiber Composite Co., Ltd., which is evaluated as financial assets at fair value through other comprehensive income-non-current.

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(ii) Limitation on investment in Mainland China:

	Accumulated Investment in Mainland China as of March 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA (Note1)	Upper Limit on Investment (Note 2)
	40,566,849 (USD1,284,830)	40,896,344 (USD1,428,843)	-

Note: The exchange rate of New Taiwan dollars to US dollars on March 31, 2022, was 28.622 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:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(d) Major shareholders:

Shareholding Shareholder's Name	Shares	Percentage
Chang Gung Medical Foundation	601,011,035	9.44 %
Formosa Chemicals and Fiber Corporation	486,978,694	7.64 %
The business department of Standard Chartered International Commercial Bank is entrusted with the custody of Credit Suisse Bank-Credit Suisse Singapore Branch investment account	398,731,554	6.26 %

(i) The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of total non-physical common stocks and preferred stocks (including treasury stocks) on the last business date of each quarter. The registered non-physical stocks may be different from the capital stocks disclosed in the financial statement due to different calculations basis.

(ii) If shares are entrusted, the above information regarding such shares will be revealed by each trustors of individual trust account, The shareholders holding more than 10% of the total shares of the company should declare insider's equity according to Securities and Exchange Act. The numbers of the shares declared by the insider include the shares of the trust assets which the insider has discretion over use. For details of the insider's equity announcement please refer to the TWSE website.

FORMOSA PLASTICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(14) Information on investment in mainland China:

Operating segments are combined and reconciled as follows:

	For the three months ended March 31, 2022							
	Plastic division	Polyolefin division	Polypropylene division	Tairylan division	Chemistry division	Others divisions	Adjustments and eliminated	Total
Revenue:								
From external customers	$ 26,741,898	15,501,880	8,446,897	12,039,932	7,316,581	955,318	1,257	71,003,763
From sales among intersegments	467,603	7,413	17,241	24,704	425,185	1,830,809	(2,772,955)	-
Total revenue	$ 27,209,501	15,509,293	8,464,138	12,064,636	7,741,766	2,786,127	(2,771,698)	71,003,763
Reportable segment profit or loss	$ 8,583,294	1,478,194	23,870	2,569,221	1,254,622	(499,626)	6,313,788	19,723,363

	For the three months ended March 31, 2021							
	Plastic division	Polyolefin division	Polypropylene division	Tairylan division	Chemistry division	Others divisions	Adjustments and eliminated	Total
Revenue:								
From external customers	$ 20,717,067	12,234,908	9,767,617	10,126,296	6,782,737	973,312	-	60,601,937
From sales among intersegments	303,014	7,898	10,732	21,588	430,030	1,734,916	(2,508,178)	-
Total revenue	$ 21,020,081	12,242,806	9,778,349	10,147,884	7,212,767	2,708,228	(2,508,178)	60,601,937
Reportable segment profit or loss	$ 6,041,150	2,222,055	1,029,883	2,184,489	1,676,270	226,817	4,681,490	18,062,154

	Plastic division	Polyolefin division	Polypropylene division	Tairylan division	Chemistry division	Others divisions	Adjustments and eliminated	Total
Reportable segment assets								
March 31, 2022	$ 34,130,272	13,124,588	32,151,924	26,940,982	7,185,929	522,923,473	(70,610,798)	565,846,370
December 31, 2021	$ 34,093,526	12,959,643	28,142,922	27,288,862	7,271,518	483,587,745	(49,665,294)	543,678,922
March 31, 2021	$ 30,941,906	38,543,033	21,775,601	23,634,655	7,252,030	446,743,286	(58,965,198)	509,925,313

	Plastic division	Polyolefin division	Polypropylene division	Tairylan division	Chemistry division	Others divisions	Adjustments and eliminated	Total
Reportable segment liabilities								
March 31, 2022	$ 6,316,310	2,318,242	2,687,211	2,271,839	536,674	122,455,027	1,193,755	137,779,058
December 31, 2021	$ 6,276,177	2,215,097	1,737,805	2,171,072	433,148	129,116,388	(1,461,039)	140,488,648
March 31, 2021	$ 4,794,779	17,710,134	4,525,664	2,088,955	600,573	124,774,174	(3,726,301)	150,767,978