FORMOSA TAFFETA CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

SEPTEMBER 30, 2015 AND 2014

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

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REVIEW REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Formosa Taffeta Co., Ltd.

We have reviewed the accompanying consolidated balance sheets of Formosa Taffeta Co., Ltd. and subsidiaries as of September 30, 2015 and 2014, and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine-month periods then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 36, "Engagements to Review Financial Statements" in the Republic of China. A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards in the Republic of China, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

As described in Notes 4(3) and 6(8), the financial statements of certain insignificant subsidiaries, investments accounted for using equity method and the information disclosed in Note 13 were not reviewed by independent accountants. The statements reflect total assets (including investments accounted for using equity method) of NT$20,152,617 thousand and NT$13,414,331 thousand, constituting 25% and 18% of the consolidated total assets, and total liabilities of NT$4,694,825 thousand and NT$4,808,134 thousand, constituting 19% and 21% of the consolidated total liabilities as of September 30, 2015 and 2014, respectively, and comprehensive income (including share of profit (loss) of associates accounted for using equity method and share of profit (loss) and other comprehensive income of associates) amounted to NT$249,277 thousand, NT$263,787 thousand, NT$487,460 thousand and NT$365,127 thousand, constituting 25%, 309%, 9% and 78% of the total comprehensive income for the three-month and nine-month periods ended September 30, 2015 and 2014, respectively.

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Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain insignificant subsidiaries, investments accounted for using equity method and the information disclosed in Note 13 been reviewed by independent accountants, we are not aware of any material modifications that should be made to the consolidated financial statements referred to in the first paragraph for them to be in conformity with the "Rules Governing the Preparation of Financial Statements by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission.

As described in Note 3, Formosa Taffeta Co., Ltd. and subsidiaries have adopted the International Accounting Standard 19 of the 2013 version of IFRS as endorsed by the Financial Supervisory Commission. As a result, the related changes were applied retrospectively and necessary adjustments were made to the prior years' financial statements.

PricewaterhouseCoopers, Taiwan

PricewaterhouseCoopers, Taiwan
November 6, 2015

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.
As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

FORMOSA TAFFETA CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)
(The consolidated balance sheets as of September 30, 2015 and 2014 are reviewed, not audited)

		September 30, 2015		(adjusted) December 31, 2014		(adjusted) September 30, 2014		(adjusted) January 1, 2014	
Assets	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets									
Cash and cash equivalents	6(1)	$ 5,098,903	6	$ 3,796,868	5	$ 3,958,988	5	$ 3,064,945	4
Financial assets at fair value through profit or loss - current	6(2)	654,998	1	654,499	1	433,651	-	1,352	-
Available-for-sale financial assets - current	6(3)	1,643,541	2	1,709,615	2	1,567,934	2	1,422,657	2
Notes receivable, net	6(4)	148,638	-	93,100	-	68,989	-	101,000	-
Notes receivable - related parties	7	5,008	-	2,743	-	2,694	-	6,963	-
Accounts receivable, net	6(5)	4,324,324	5	4,154,561	6	4,409,540	6	3,760,435	5
Accounts receivable - related parties	7	1,337,523	2	1,321,930	2	1,262,936	2	1,036,415	1
Other receivables	7	378,726	1	354,982	-	250,752	-	266,519	-
Inventory	6(6) and 8	7,678,386	10	7,950,289	11	7,396,063	10	7,362,831	10
Prepayments		1,026,865	1	393,671	1	604,271	1	197,527	-
Other current assets		404,975	1	384,755	-	550,682	1	660,737	1
Total current assets		22,701,887	29	20,817,013	28	20,506,500	27	17,881,381	23
Non-current assets									
Available-for-sale financial assets – non-current	6(3)	29,153,974	37	26,322,249	35	27,872,714	37	30,486,495	40
Financial assets carried at cost – non-current	6(7)	5,796,324	7	5,442,727	7	5,442,720	7	353,144	-
Investments accounted for under equity method	6(8)	3,115,541	4	2,909,436	4	2,704,799	4	7,551,755	10
Property, plant and equipment	6(9) and 8	17,232,543	22	17,846,148	24	17,752,726	23	19,014,371	25
Deferred income tax assets		456,759	-	516,201	1	538,242	1	654,651	1
Other non-current assets	6(10)	957,920	1	1,051,206	1	946,035	1	692,017	1
Total non-current assets		56,713,061	71	54,087,967	72	55,257,236	73	58,752,433	77
Total assets		$ 79,414,948	100	$ 74,904,980	100	$ 75,763,736	100	$ 76,633,814	100
Liabilities and Equity									
Current liabilities									
Short-term borrowings	6(11) and 8	$ 3,495,562	5	$ 2,761,686	4	$ 3,489,540	4	$ 3,706,477	5
Short-term notes and bills payable	6(12)	1,699,749	2	2,349,524	3	2,299,234	3	1,249,862	2
Financial liabilities at fair value through profit or loss - current	6(13)	6,074	-	5,843	-	7,172	-	704	-
Notes payable		193,256	-	205,567	-	189,802	-	172,069	-
Notes payable - related parties	7	202,859	-	288,160	-	203,858	-	218,650	-
Accounts payable		1,616,842	2	1,169,886	2	1,325,269	2	1,032,409	1
Accounts payable - related parties	7	987,156	1	1,186,014	2	1,328,082	2	1,491,693	2
Other payables	6(14)	1,641,633	2	2,047,240	3	1,467,306	2	1,309,490	2
Current income tax liabilities	6(27)	330,427	1	154,960	-	99,110	-	307,292	1
Other current liabilities	6(15)	684,005	1	354,132	-	530,720	1	240,159	-
Total current liabilities		10,857,563	14	10,523,012	14	10,940,093	14	9,728,805	13

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FORMOSA TAFFETA CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)
(The consolidated balance sheets as of September 30, 2015 and 2014 are reviewed, not audited)

Liabilities and Equity	Notes	September 30, 2015 AMOUNT	%	(adjusted) December 31, 2014 AMOUNT	%	(adjusted) September 30, 2014 AMOUNT	%	(adjusted) January 1, 2014 AMOUNT	%
Non-current liabilities									
Long-term borrowings	6(15)	$ 10,500,198	13	$ 9,218,895	12	$ 9,149,904	12	$ 10,085,653	13
Deferred income tax liabilities		145,362	-	95,730	-	87,431	-	55,383	-
Other non-current liabilities		2,756,515	4	2,840,680	4	2,804,106	4	2,629,243	3
Total non-current liabilities		13,402,075	17	12,155,305	16	12,041,441	16	12,770,279	16
Total Liabilities		24,259,638	31	22,678,317	30	22,981,534	30	22,499,084	29
Equity attributable to owners of parent									
Share capital	6(17)								
Share capital - common stock		16,846,646	21	16,846,646	23	16,846,646	22	16,846,646	22
Capital surplus	6(18)								
Capital surplus		21,411	-	38,348	-	25,345	-	98,898	-
Retained earnings	6(19)								
Legal reserve		6,508,610	8	6,156,773	8	6,156,773	8	5,943,868	8
Special reserve		1,381,824	2	644,262	1	644,262	1	326,534	-
Unappropriated retained earnings		3,412,599	4	4,636,684	6	4,111,687	6	3,464,878	5
Other equity interest	6(20)								
Other equity interest		23,765,870	30	20,717,519	28	21,929,381	29	24,519,105	32
Treasury stocks	6(17)	(22,285)	-	(22,723)	-	(22,723)	-	(23,423)	-
Equity attributable to owners of the parent		51,914,675	65	49,017,509	66	49,691,371	66	51,176,506	67
Non-controlling interest		3,240,635	4	3,209,154	4	3,090,831	4	2,958,224	4
Total equity		55,155,310	69	52,226,663	70	52,782,202	70	54,134,730	71
Significant contingent liabilities and unrecognized contract commitments	9								
Total liabilities and equity		$ 79,414,948	100	$ 74,904,980	100	$ 75,763,736	100	$ 76,633,814	100

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated November 6, 2015.

FORMOSA TAFFETA CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)
(UNAUDITED)

		For the three-month periods ended September 30				For the nine-month periods ended September 30			
		2015		2014 (adjusted)		2015		2014 (adjusted)	
Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Sales revenue	6(21) and 7	$ 10,265,621	100	$ 11,820,926	100	$ 32,891,550	100	$ 36,829,597	100
Operating costs	6(6)(24)(25) and 7	(8,993,139)	(87)	(10,508,588)	(89)	(28,224,191)	(86)	(32,514,258)	(88)
Net operating margin		1,272,482	13	1,312,338	11	4,667,359	14	4,315,339	12
Operating expenses	6(24)(25) and 7								
Selling expenses		(432,659)	(4)	(490,000)	(4)	(1,374,444)	(4)	(1,429,052)	(4)
General and administrative expenses		(234,654)	(3)	(233,212)	(2)	(709,812)	(2)	(680,027)	(2)
Research and development expenses		(13,136)	-	(11,573)	-	(38,243)	-	(36,516)	-
Total operating expenses		(680,449)	(7)	(734,785)	(6)	(2,122,499)	(6)	(2,145,595)	(6)
Operating profit		592,033	6	577,553	5	2,544,860	8	2,169,744	6
Non-operating income and expenses									
Other income	6(22) and 7	441,073	4	1,037,641	9	656,053	2	1,138,780	3
Other gains and losses	6(23)	92,237	1	41,630	-	(315,674)	(1)	(31,924)	-
Finance costs	6(26)	(48,828)	-	(52,483)	-	(142,958)	(1)	(161,655)	-
Share of profit of associates and joint ventures accounted for under equity method	6(8)	151,439	1	129,237	1	262,735	1	198,246	-
Total non-operating income and expenses		635,921	6	1,156,025	10	460,156	1	1,143,447	3
Profit before income tax		1,227,954	12	1,733,578	15	3,005,016	9	3,313,191	9
Income tax expense	6(27)	(105,979)	(1)	(88,233)	(1)	(498,048)	(1)	(264,497)	(1)
Profit for the year		$ 1,121,975	11	$ 1,645,345	14	$ 2,506,968	8	$ 3,048,694	8

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FORMOSA TAFFETA CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)
(UNAUDITED)

		Three months ended September 30				Nine months ended September 30			
		2015		2014 (adjusted)		2015		2014 (adjusted)	
Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Other comprehensive income	6(20)								
Components of other comprehensive income (loss) that will be reclassified to profit or loss									
Financial statements translation differences of foreign operations		$ 541,501	5	$ 216,084	2	$ 349,404	1	$ 146,740	-
Unrealized gain (loss) on valuation of available-for-sale financial assets		(744,325)	(7)	(1,805,078)	(15)	2,684,995	8	(2,726,000)	(7)
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method		86,159	1	28,991	-	(8,893)	-	(3,742)	-
Total other comprehensive income for the year		($ 116,665)	(1)	($ 1,560,003)	(13)	$ 3,025,506	9	($ 2,583,002)	(7)
Total comprehensive income for the year		$ 1,005,310	10	$ 85,342	1	$ 5,532,474	17	$ 465,692	1
Profit attributable to:									
Owners of the parent		$ 1,019,150	10	$ 1,577,773	13	$ 2,223,844	7	$ 2,862,106	8
Non-controlling interest		102,825	1	67,572	1	283,124	1	186,588	-
		$ 1,121,975	11	$ 1,645,345	14	$ 2,506,968	8	$ 3,048,694	8
Comprehensive income attributable to:									
Owners of the parent		$ 923,792	9	$ 25,136	-	$ 5,272,195	16	$ 272,382	-
Non-controlling interest		81,518	1	60,206	1	260,279	1	193,310	1
		$ 1,005,310	10	$ 85,342	1	$ 5,532,474	17	$ 465,692	1

		Three months 2015		Three months 2014 (adjusted)		Nine months 2015		Nine months 2014 (adjusted)	
Basic and diluted earnings per share		Before tax	After tax	Before tax	After tax	Before tax	After tax	Before tax	After tax
Profit for the period from continuing operations	6(28)	$ 0.73	$ 0.67	$ 1.03	$ 0.98	$ 1.79	$ 1.49	$ 1.97	$ 1.81
Non-controlling interest		(0.09)	(0.06)	(0.08)	(0.04)	(0.33)	(0.16)	(0.24)	(0.11)
Profit attributable to common shareholders of parent		$ 0.64	$ 0.61	$ 0.95	$ 0.94	$ 1.46	$ 1.33	$ 1.73	$ 1.70
Assuming shares held by subsidiaries are not deemed as treasury stock:									
Profit for the period from continuing operations		$ 0.73	$ 0.67	$ 1.03	$ 0.98	$ 1.78	$ 1.49	$ 1.97	$ 1.81
Non-controlling interest		(0.09)	(0.06)	(0.08)	(0.04)	(0.32)	(0.16)	(0.24)	(0.11)
Profit attributable to common shareholders of parent		$ 0.64	$ 0.61	$ 0.95	$ 0.94	$ 1.46	$ 1.33	$ 1.73	$ 1.70

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated November 6, 2015.

FORMOSA TAFFETA CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

		Equity attributable to owners of the parent													
			Capital Reserves				Retained Earnings			Other equity interest					
	Notes	Share capital - common stock	Treasury stock transactions	Difference between the price for acquisition or disposal of subsidiaries and carrying amount	Donated assets received	Change in net equity of associates and joint ventures accounted for under equity method	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	Treasury stocks	Total	Non-controlling interest	Total equity
For the nine-month period ended September 30, 2014															
Balance at January 1, 2014		$ 16,846,646	$7,019	$ -	$2,032	$89,847	$ 5,943,868	$326,534	$ 3,464,878	($95,294)	$ 24,614,399	($23,423)	$ 51,176,506	$ 2,958,224	$ 54,134,730
Appropriations of 2013 earnings:	6(19)														
Legal reserve		-	-	-	-	-	212,905	-	(212,905)	-	-	-	-	-	-
Special reserve		-	-		-	-	-	608,754	(608,754)	-	-	-	-	-	-
Reversal of special reserve		-	-	-	-	-	-	(291,026)	291,026	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	-	(1,684,664)	-	-	-	(1,684,664)	-	(1,684,664)
Profit for the year		-	-	-	-	-	-	-	2,862,106	-	-	-	2,862,106	186,588	3,048,694
Changes in the net interest of associates recognised under the equity method	6(8)	-	-	-	-	(78,156)	-	-	-	-	-	-	(78,156)	-	(78,156)
Difference between proceeds on acquisition of or disposal of equity interest in a subsidiary and its carrying amount		-	-	545	-	-	-	-	-	-	-	-	545	-	545
Disposal of treasury stock	6(17)	-	1,445	-	-	-	-	-	-	-	-	700	2,145	-	2,145
Effect from net stockholding of associates recognized under the equity method		-	2,613	-	-	-	-	-	-	-	-	-	2,613	-	2,613
Other comprehensive income for the period	6(20)	-	-	-	-	-	-	-	-	147,281	(2,737,005)	-	(2,589,724)	6,722	(2,583,002)
Cash dividends paid by consolidated subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	(60,703)	(60,703)
Balance at September 30, 2014		$ 16,846,646	$11,077	$ 545	$2,032	$11,691	$ 6,156,773	$644,262	$ 4,111,687	$51,987	$ 21,877,394	($22,723)	$ 49,691,371	$ 3,090,831	$ 52,782,202

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FORMOSA TAFFETA CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

		Equity attributable to owners of the parent													
			Capital Reserves				Retained Earnings			Other equity interest					
	Notes	Share capital - common stock	Treasury stock transactions	Difference between the price for acquisition or disposal of subsidiaries and carrying amount	Donated assets received	Change in net equity of associates and joint ventures accounted for under equity method	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	Treasury stocks	Total	Non-controlling interest	Total equity
For the nine-month period ended September 30, 2015															
Balance at January 1, 2015		$ 16,846,646	$11,077	$ 545	$2,032	$24,694	$ 6,156,773	$644,262	$ 4,636,684	$385,721	$ 20,331,798	($22,723)	$ 49,017,509	$ 3,209,154	$ 52,226,663
Appropriations of 2014 earnings:	6(19)														
Legal reserve		-	-	-	-	-	351,837	-	(351,837)	-	-	-	-	-	-
Special reserve		-	-	-	-	-	-	737,562	(737,562)	-	-	-	-	-	-
Cash dividends		-	-	-	-		-	-	(2,358,530)	-	-	-	(2,358,530)	-	(2,358,530)
Profit for the year		-	-	-	-	-	-	-	2,223,844	-	-	-	2,223,844	283,124	2,506,968
Disposal of treasury stock	6(17)	-	1,058	-	-	-	-	-	-	-	-	438	1,496	-	1,496
Changes in the net interest of associates recognised under the equity method		-	-	-	-	(17,995)	-	-	-	-	-	-	(17,995)	-	(17,995)
Other comprehensive income for the period	6(20)	-	-	-	-	-	-	-	-	348,694	2,699,657	-	3,048,351	(22,845)	3,025,506
Cash dividends paid by consolidated subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	(228,798)	(228,798)
Balance at September 30, 2015		$ 16,846,646	$12,135	$ 545	$2,032	$ 6,699	$ 6,508,610	$1,381,824	$ 3,412,599	$734,415	$ 23,031,455	($22,285)	$ 51,914,675	$ 3,240,635	$ 55,155,310

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated November 6, 2015.

FORMOSA TAFFETA CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	For the nine-month periods ended September 30 2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated profit before tax for the period		$ 3,005,016	$ 3,313,191
Adjustments to reconcile net income to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
(Reversal of impairment) provision for bad debts	6(5)	(19,042)	5,256
Depreciation	6(9)(24)	2,180,631	2,589,884
Interest expense	6(26)	142,958	161,655
Interest income	6(22)	(19,643)	(15,621)
Dividend income	6(22)	(386,084)	(967,716)
Gain on valuation of financial assets	6(2)(23)	(2,297)	(2,762)
Loss on valuation of financial liabilities	6(13)(23)	2,029	6,707
Share of profit of associates and joint ventures accounted for under equity method	6(8)	(262,735)	(198,246)
Cash dividends from investments accounted for under equity method		56,595	46,056
Gain on disposal of investments	6(23)	-	(36,476)
Loss (gain) on disposal and scrap of property, plant and equipment	6(23)	227,605	(12,772)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		-	(429,537)
Notes receivable, net		(55,538)	32,011
Notes receivable - related parties		(2,265)	4,269
Accounts receivable, net		(150,784)	(654,361)
Accounts receivable - related parties		(15,593)	(226,521)
Other receivables		(23,744)	15,767
Inventory		271,903	(33,232)
Prepayments		(633,194)	(406,744)
Other current assets		(20,220)	110,055
Net changes in liabilities relating to operating activities			
Financial liabilities at fair value through profit or loss		-	(239)
Notes payable		(12,311)	17,733
Notes payable - related parties		(85,301)	(14,792)
Accounts payable		446,956	292,860
Accounts payable - related parties		(198,858)	(163,611)
Other payables		(467,207)	95,778
Other current liabilities		307,554	302,477
Other non-current liabilities		(84,165)	174,863
Cash generated from operations		4,202,266	4,005,932
Interest received		19,643	15,621
Dividends received		386,084	967,716
Interest paid		(156,251)	(167,329)
Income tax paid		(214,262)	(324,599)
Net cash provided by operating activities		4,237,480	4,497,341

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FORMOSA TAFFETA CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	For the nine-month periods ended September 30 2015	2014
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of available-for-sale financial assets		($ 81,011)	($ 256,744)
Proceeds from capital reduction of financial assets measured at cost		13,380	-
Acquisition of investment accounted for using equity method		-	(41,603)
Acquisition of property, plant and equipment	6(29)	(1,792,145)	(1,205,079)
Proceeds from disposal of property, plant and equipment		61,020	18,597
Decrease (increase) in other non-current assets		96,360	(274,831)
Net cash used in investing activities		(1,702,396)	(1,759,660)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term borrowings		733,876	(216,937)
(Decrease) increase in short-term notes and bills payable		(649,775)	1,049,372
Payment of long-term borrowings		(2,262,137)	(6,451,439)
Increase in long-term borrowings		3,568,130	5,500,000
Cash dividends paid	6(19)	(2,358,530)	(1,684,664)
Cash dividends paid - non-controlling interest		(228,798)	(60,703)
Net cash used in financing activities		(1,197,234)	(1,864,371)
Effect of foreign exchange rate		(35,815)	20,733
Increase in cash and cash equivalents		1,302,035	894,043
Cash and cash equivalents at beginning of period	6(1)	3,796,868	3,064,945
Cash and cash equivalents at end of period	6(1)	$ 5,098,903	$ 3,958,988

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated November 6, 2015.

FORMOSA TAFFETA CO., LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2015 AND 2014

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

(1)Formosa Taffeta Co., Ltd. (the "Company") was incorporated on April 19, 1973 under the provisions of the Company Law of the Republic of China (R.O.C.). Factories were established in Douliou City of Yulin County, R.O.C. On December 24, 1985, the Company's common stock was officially listed on the Taiwan Stock Exchange. The major operations of the Company's various departments are as follows:

Business departments	Major activities
Primary department: Fabrics & dyeing	Amine fabrics, polyester fabrics, cotton fabrics, blending fabrics and umbrella ribs
Secondary department: Cord fabrics, petroleum and others	Cord, plastic bags, refineries for gasoline, diesel, crude oil and the related petroleum products, cotton fibers, blending fibers and protection fibers
Formosa Advanced Technologies Co., Ltd.	Assembly, testing, model processing and research and development of various integrated circuits

(2)Formosa Chemicals & Fiber Corp. has significant control over the Company since Formosa Chemicals & Fiber Corp. holds over half of the Board seats after the stockholders' meeting on June 27, 2008. Since June 27, 2008, Formosa Chemicals & Fiber Corp. became the Company's parent company and accordingly, the Company and its subsidiaries are included in its consolidated financial statements.

(3)As of September 30, 2015, the Company and its subsidiaries (collectively referred herein as the "Group") had 9,868 employees.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on November 6, 2015.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of new issuances of or amendments to IFRSs as endorsed by the Financial Supervisory Commission ("FSC") but not yet adopted by the Group

According to Financial-Supervisory-Securities-Auditing No. 1030010325 issued by FSC on April 3, 2014, commencing 2015, companies with shares listed on the TWSE or traded on the Taipei Exchange or Emerging Stock Market shall adopt the 2013 version of IFRS (not including IFRS 9, 'Financial instruments') as endorsed by the FSC and Regulations Governing the Preparation of Financial Reports by Securities Issuers effective January 1, 2015 (collectively referred herein as "the 2013 version of IFRS") in preparing the consolidated financial statements. The impact of adopting the 2013 version of IFRS is listed below:

A.IAS 19 (revised), ‘Employee benefits’

The revised standard makes amendments that net interest amount, calculated by applying the discount rate to the net defined benefit asset or liability, replaces the finance charge and expected return on plan assets. The revised standard eliminates the accounting policy choice that the actuarial gains and losses could be recognised based on corridor approach or recognised in profit or loss. The revised standard requires that the actuarial gains and losses can only be recognised immediately in other comprehensive income when incurred. Additional disclosures are required for defined benefit plans. Based on the Group’s assessment, the impact of the standard is in the following table.

B.IAS 1, ‘Presentation of financial statements’

The amendment requires entities to separate items presented in OCI classified by nature into two groups on the basis of whether they are potentially reclassifiable to profit or loss subsequently when specific conditions are met. If the items are presented before tax then the tax related to each of the two groups of OCI items (those that might be reclassified and those that will not be reclassified) must be shown separately. Accordingly, the Group will adjust its presentation of the statement of comprehensive income.

C.IFRS 12, ‘Disclosure of interests in other entities’

The standard integrates the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities. Also, the Group will disclose additional information about its interests in consolidated entities and unconsolidated entities accordingly.

D.IFRS 13, ‘Fair value measurement’

The standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard sets out a framework for measuring fair value from market participants’ perspective, and requires disclosures about fair value measurements. For non-financial assets only, fair value is determined based on the highest and best use of the asset. Based on the Group’s assessment, the adoption of the standard has no significant impact on its consolidated financial statements, and the Group will disclose additional information about fair value measurements accordingly.

Significant effects of applying the 2013 version of IFRS to the consolidated financial statements are summarized in the following table:

Consolidated Balance Sheets Affected items	2010 version IFRSs amount	Effect of Transition	2013 version IFRSs amount	Remark
January 1, 2014				
Deferred income tax assets	$ 639,217	$ 15,434	$ 654,651	(A)
Others	75,979,163	-	75,979,163	
Total affected assets	$ 76,618,380	$ 15,434	$ 76,633,814	
Accrued pension liabilities	$ 2,445,595	$ 90,789	$ 2,536,384	(A)
Others	19,962,700	-	19,962,700	
Total affected liabilities	22,408,295	90,789	22,499,084	
Retained earnings	3,535,764	(70,886)	3,464,878	(A)
Non-controlling interests	2,962,693	(4,469)	2,958,224	(A)
Others	47,711,628	-	47,711,628	
Total affected equity	54,210,085	(75,355)	54,134,730	
Total affected liabilities and equity	$ 76,618,380	$ 15,434	$ 76,633,814	

Consolidated Balance Sheets Affected items	2010 version IFRSs amount	Effect of Transition	2013 version IFRSs amount	Remark
September 30, 2014				
Deferred income tax assets	$ 522,812	$ 15,430	$ 538,242	(A)
Others	75,225,494	-	75,225,494	
Total affected assets	$ 75,748,306	$ 15,430	$ 75,763,736	
Accrued pension liabilities	$ 2,497,465	$ 90,766	$ 2,588,231	(A)
Others	20,393,303	-	20,393,303	
Total affected liabilities	22,890,768	90,766	22,981,534	
Retained earnings	4,182,609	(70,922)	4,111,687	(A)
Non-controlling interests	3,095,245	(4,414)	3,090,831	(A)
Others	45,579,684	-	45,579,684	
Total affected equity	52,857,538	(75,336)	52,782,202	
Total affected liabilities and equity	$ 75,748,306	$ 15,430	$ 75,763,736	

Consolidated Balance Sheets Affected items	2010 version IFRSs amount	Effect of Transition	2013 version IFRSs amount	Remark
December 31, 2014				
Deferred income tax assets	$ 500,772	$ 15,429	$ 516,201	(A)
Others	74,388,779	-	74,388,779	
Total affected assets	$ 74,889,551	$ 15,429	$ 74,904,980	
Accrued pension liabilities	$ 2,515,974	$ 223,010	$ 2,738,984	(A)
Others	19,939,333	-	19,939,333	
Total affected liabilities	22,455,307	223,010	22,678,317	
Retained earnings	4,838,841	(202,157)	4,636,684	(A)
Non-controlling interests	3,214,578	(5,424)	3,209,154	(A)
Others	44,380,825	-	44,380,825	
Total affected equity	52,434,244	(207,581)	52,226,663	
Total affected liabilities and equity	$ 74,889,551	$ 15,429	$ 74,904,980	

Consolidated Balance Sheets Affected items	2010 version IFRSs amount	Effect of Transition	2013 version IFRSs amount	Remark
September 30 , 2015				
Deferred income tax assets	$ 441,476	$ 15,283	$ 456,759	(A)
Others	78,958,189	-	78,958,189	
Total affected assets	$ 79,399,665	$ 15,283	$ 79,414,948	
Accrued pension liabilities	$ 2,516,734	$ 222,147	$ 2,738,881	(A)
Others	21,520,757	-	21,520,757	
Total affected liabilities	24,037,491	222,147	24,259,638	
Retained earnings	3,614,079	(201,480)	3,412,599	(A)
Non-controlling interests	3,246,019	(5,384)	3,240,635	(A)
Others	48,502,076	-	48,502,076	
Total affected equity	55,362,174	(206,864)	55,155,310	
Total affected liabilities and equity	$ 79,399,665	$ 15,283	$ 79,414,948	

Consolidated statement of comprehensive income Affected items	2010 version IFRSs amount	Effect of Transition	2013 version IFRSs amount	Remark
For the three-month period ended September 30, 2014				
Operating revenue	$ 11,820,926	$ -	$ 11,820,926	
Operating costs	(10,508,588)	-	(10,508,588)	
Operating expenses	(734,792)	7	(734,785)	(A)
Non-operating income and expenses	1,156,025	-	1,156,025	
Profit before income tax	1,733,571	7	1,733,578	
Income tax expense	(88,232)	(1)	(88,233)	(A)
Profit for the period	1,645,339	6	1,645,345	
Other comprehensive income (net)	(1,560,003)	-	(1,560,003)	
Total comprehensive income	$ 85,336	$ 6	$ 85,342	
Earnings per share				
Basic	$ 0.98	$ -	$ 0.98	
Diluted	$ 0.98	$ -	$ 0.98	

Consolidated statement of comprehensive income Affected items	2010 version IFRSs amount	Effect of Transition	2013 version IFRSs amount	Remark
For the nine-month period ended September 30, 2014				
Operating revenue	$ 36,829,597	$ -	$ 36,829,597	
Operating costs	(32,514,258)	-	(32,514,258)	
Operating expenses	(2,145,618)	23	(2,145,595)	(A)
Non-operating income and expenses	1,143,447	-	1,143,447	
Profit before income tax	3,313,168	23	3,313,191	
Income tax expense	(264,493)	(4)	(264,497)	(A)
Profit for the period	3,048,675	19	3,048,694	
Other comprehensive loss (net)	(2,583,002)	-	(2,583,002)	
Total comprehensive income	$ 465,673	$ 19	$ 465,692	
Earnings per share				
Basic	$ 1.81	$ -	$ 1.81	
Diluted	$ 1.81	$ -	$ 1.81	

Consolidated statement of comprehensive income Affected items	2010 version IFRSs amount	Effect of Transition	2013 version IFRSs amount	Remark
For the three-month period ended September 30, 2015				
Operating revenue	$ 10,265,621	$ -	$ 10,265,621	
Operating costs	(8,993,139)	-	(8,993,139)	
Operating expenses	(680,737)	288	(680,449)	(A)
Non-operating income and expenses	635,921	-	635,921	
Profit before income tax	1,227,666	288	1,227,954	
Income tax expense	(105,931)	(48)	(105,979)	(A)
Profit for the period	1,121,735	240	1,121,975	
Other comprehensive income (net)	(116,665)	-	(116,665)	
Total comprehensive income	$ 1,005,070	$ 240	$ 1,005,310	
Earnings per share				
Basic	$ 0.67	$ -	$ 0.67	
Diluted	$ 0.67	$ -	$ 0.67	

Consolidated statement of comprehensive income Affected items	2010 version IFRSs amount	Effect of Transition	2013 version IFRSs amount	Remark
For the nine-month period ended September 30, 2015				
Operating revenue	$ 32,891,550	$ -	$ 32,891,550	
Operating costs	(28,224,191)	-	(28,224,191)	
Operating expenses	(2,123,363)	864	(2,122,499)	(A)
Non-operating income and expenses	460,156	-	460,156	
Profit before income tax	3,004,152	864	3,005,016	
Income tax expense	(497,902)	(146)	(498,048)	(A)
Profit for the period	2,506,250	718	2,506,968	
Other comprehensive income (net)	3,025,506	-	3,025,506	
Total comprehensive income	$ 5,531,756	$ 718	$ 5,532,474	
Earnings per share				
Basic	$ 1.49	$ -	$ 1.49	
Diluted	$ 1.49	$ -	$ 1.49	

Remarks：

A. The Group recognised previously unrecognised past service costs and as a result of elimination of the corridor approach to recognise prior unrecognised actuarial losses by increasing accrued pension by $90,789, $90,766, $223,010 and $222,147 and deferred tax income assets by $15,434, $15,430, $15,429 and $15,283 and decreasing retained earnings by $70,886, $70,922, $202,157 and $201,480 and non-controlling interest by $4,469, $4,414, $5,424 and $5,384 as at January 1, 2014, September 30, 2014, December 31, 2014 and September 30, 2015, respectively. Also, the Group decreased operating expenses by $288, $7, $864 and $23,and increased income tax expense by $48, $1, $146 and $4 for the three-month and nine-month periods ended September 30, 2015 and 2014, respectively.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

None.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the 2013 version of IFRS as endorsed by the FSC:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
IFRS 9, ‘Financial instruments'	January 1, 2018
Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	January 1, 2016
Investment entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)	January 1, 2016
Accounting for acquisition of interests in joint operations (amendments to IFRS 11)	January 1, 2016
IFRS 14, 'Regulatory deferral accounts'	January 1, 2016
IFRS 15, ‘Revenue from contracts with customers'	January 1, 2018
Disclosure initiative (amendments to IAS 1)	January 1, 2016
Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38)	January 1, 2016
Agriculture: bearer plants (amendments to IAS 16 and IAS 41)	January 1, 2016
Defined benefit plans: employee contributions (amendments to IAS 19R)	July 1, 2014
Equity method in separate financial statements (amendments to IAS 27)	January 1, 2016
Recoverable amount disclosures for non-financial assets (amendments to IAS 36)	January 1, 2014
Novation of derivatives and continuation of hedge accounting (amendments to IAS 39)	January 1, 2014
IFRIC 21, ‘Levies’	January 1, 2014
Improvements to IFRSs 2010-2012	July 1, 2014
Improvements to IFRSs 2011-2013	July 1, 2014
Improvements to IFRSs 2012-2014	January 1, 2016

The Group is assessing the potential impact of the new standards, interpretations and amendments above and has not yet been able to reliably estimate their impact on the consolidated financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for compliance statement, basis of preparation, basis of consolidation and accounting policies on employee benefits and income tax, the Group's significant accounting policies are the same with those specified in Note 4 of the consolidated financial statements for the year ended December 31, 2014. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A.The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, "Interim Financial Reporting" endorsed by the FSC.

B.The consolidated financial statements as of and for the nine months ended September 30, 2015 should be read together with the consolidated financial statements as of and for the year ended December 31, 2014.

(2) Basis of preparation

A.Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:

(a)Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b)Available-for-sale financial assets measured at fair value.

(c)Defined benefit liabilities recognised based on the net amount of pension fund assets and unrecognised actuarial losses, and less unrecognised actuarial gains and present value of defined benefit obligation.

B.The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A.Basis for preparation of consolidated financial statements:

(a)All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies. In general, control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. The existence and effect of potential voting rights that are currently exercisable or convertible have been considered when assessing whether the Group controls another entity.

(b)Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c)Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d)Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

B.Subsidiaries included in the consolidated financial statements:

			Ownership (%)		
Name of investor	Name of subsidiary	Main business activities	September 30, 2015	December 31, 2014	Description
Formosa Taffeta Co., Ltd.	Formosa Advanced Technologies Co., Ltd.	Assembly, testing, model processing and research and development of various integrated circuits	65.68	65.68	
Formosa Taffeta Co., Ltd.	Taffeta (Zhong Shan) Co, Ltd.	Manufacturing of nylon and polyester filament greige cloth, coloured cloth, printed cloth and textured processing yarn products	100.00	100.00	Note 1
Formosa Taffeta Co., Ltd.	Formosa Development Co., Ltd.	Urban land consolidation, development and rent and sale of residential and buildings, and development of new community and specialised zones	100.00	100.00	Note 1
Formosa Taffeta Co., Ltd.	Formosa Taffeta Vietnam Co., Ltd.	Manufacturing, processing, supply and marketing of yarn, knitted fabric, dyeing and finishing, carpets, curtains and cleaning supplies	100.00	100.00	Note 1
Formosa Taffeta Co., Ltd.	Formosa Taffeta (Hong Kong) Co., Ltd.	Sale of nylon and polyamine goods	100.00	100.00	Note 1

Name of investor	Name of subsidiary	Main business activities	Ownership (%) September 30, 2015	Ownership (%) December 31, 2014	Description
Formosa Taffeta Co., Ltd.	Schoeller F.T.C. (Hong Kong) Co., Ltd.	Sale of hi-tech performance fabric for 3XDRY, Nanosphere, Keprotec, Dynatec, Spirit and Reflex	43.00	43.00	Note 1 and Note 2
Formosa Taffeta Co., Ltd.	Xiamen Xiangyu Formosa Import & Export Trading Co., Ltd.	Export trading, entrepot trading, displaying goods, processing of exporting goods, warehousing and black and white and colour design and graph	100.00	100.00	Note 1
Formosa Taffeta Co., Ltd.	Formosa Taffeta (Dong Nai) Co., Ltd.	Manufacturing of nylon and polyester filament products	100.00	100.00	Note 1
Formosa Taffeta Co., Ltd.	Formosa Taffeta (Cayman) Limited	Holding Company	100.00	100.00	Note 1
Formosa Taffeta (Hong Kong) Co., Ltd.	Formosa Taffeta (Changshu) Co., Ltd.	Manufacturing and processing fabric of nylon filament knitted cloth, weaving and dyeing as well as post processing of knitted fabric	100.00	100.00	Note 1

Name of investor	Name of subsidiary	Main business activities	Ownership (%) September 30, 2014	Description
Formosa Taffeta Co., Ltd.	Formosa Advanced Technologies Co., Ltd.	Assembly, testing, model processing and research and development of various integrated circuits	65.68	
Formosa Taffeta Co., Ltd.	Taffeta (Zhong Shan) Co, Ltd.	Manufacturing of nylon and polyester filament greige cloth, coloured cloth, printed cloth and textured processing yarn	100.00	Note 1
Formosa Taffeta Co., Ltd.	Formosa Development Co., Ltd.	Urban land consolidation, development and rent and sale of residential and buildings, and development of new community and specialised zones	100.00	Note 1
Formosa Taffeta Co., Ltd.	Formosa Taffeta Vietnam Co., Ltd.	Manufacturing, processing, supply and marketing of yarn, knitted fabric, dyeing and finishing, carpets, curtains and cleaning supplies	100.00	Note 1
Formosa Taffeta Co., Ltd.	Formosa Taffeta (Hong Kong) Co., Ltd.	Sale of nylon and polyamine goods	100.00	Note 1
Formosa Taffeta Co., Ltd.	Schoeller F.T.C. (Hong Kong) Co., Ltd.	Sale of hi-tech performance fabric for 3XDRY, Nanosphere, Keprotec, Dynatec, Spirit and Reflex	43.00	Note 1 and Note 2
Formosa Taffeta Co., Ltd.	Xiamen Xiangyu Formosa Import & Export Trading Co., Ltd.	Export trading, entrepot trading, displaying goods, processing of exporting goods, warehousing and black and white and colour design and graph	100.00	Note 1
Formosa Taffeta Co., Ltd.	Formosa Taffeta (Dong Nai) Co., Ltd.	Manufacturing of nylon and polyester filament products	100.00	Note 1
Formosa Taffeta Co., Ltd.	Formosa Taffeta (Cayman) Limited.	Holding Company	100.00	Note 1
Formosa Taffeta (Hong Kong) Co., Ltd.	Formosa Taffeta (Changshu) Co., Ltd.	Manufacturing and processing fabric of nylon filament knitted cloth, weaving and dyeing as well as post processing of knitted fabric	100.00	Note 1

Note 1: The financial statements of the entity as of and for the nine-month periods ended September 30, 2015 and 2014 were not reviewed by independent accountants as the entity did not meet the definition of significant subsidiary.

Note 2: Even though the Company did not directly or indirectly own more than 50% voting rights of Schoeller F.T.C. (Hong Kong) Co., Ltd., the Company owns more than half of the seats in the Board of Directors of Schoeller F.T.C. (Hong Kong) Co., Ltd. and has substantive control over the company. Thus, Schoeller F.T.C. (Hong Kong) Co., Ltd. is included in the consolidated financial statements.

Note 3: Changshu Fushun Enterprise Management Co., Ltd. merged with Changshu Yu Yuan Development. Co., Ltd. and was eliminated. Details are provided in Note 6(8)H.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of September 30, 2015, December 31, 2014, September 30, 2014 and January 1, 2014, the non-controlling interest amounted to $3,240,635, $3,209,154, $3,090,831 and $2,958,224, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest			
		September 30, 2015		December 31, 2014	
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)
Formosa Advanced Technologies Co., Ltd.	Taiwan	$ 3,237,353	34.32	$ 3,192,402	34.32

		Non-controlling interest			
		September 30, 2014		January 1, 2014	
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)
Formosa Advanced Technologies Co., Ltd.	Taiwan	$ 3,076,001	34.32	$ 2,953,742	34.32

Summarized financial information on the subsidiaries:

Balance sheets

	Formosa Advanced Technologies Co., Ltd.	
	September 30, 2015	December 31, 2014
Current assets	$ 7,092,643	6,195,144
Non-current assets	3,571,345	4,334,325
Current liabilities	(1,174,888)	(1,171,125)
Non-current liabilities	(56,254)	(56,474)
Total net assets	$ 9,432,846	$ 9,301,870

	Formosa Advanced Technologies Co., Ltd.	
	September 30, 2014	January 1, 2014
Current assets	$ 5,503,940	3,654,281
Non-current assets	4,656,676	5,708,199
Current liabilities	(1,144,131)	(703,408)
Non-current liabilities	(53,779)	(52,598)
Total net assets	$ 8,962,706	$ 8,606,474

Statements of comprehensive income

	Formosa Advanced Technologies Co., Ltd.	
	Three-month period ended September 30, 2015	Three-month period ended September 30, 2014
Revenue	$ 2,093,266	$ 2,381,693
Profit before income tax	354,177	256,520
Income tax expense	(60,192)	(70,575)
Profit for the period	293,985	185,945
Other comprehensive loss, net of tax	(64,325)	(28,373)
Total comprehensive income for the period	$ 229,660	$ 157,572
Comprehensive income attributable to non-controlling interest	$ 78,819	$ 54,079

	Formosa Advanced Technologies Co., Ltd.	
	Nine-month period ended September 30, 2015	Nine-month period ended September 30, 2014
Revenue	$ 6,500,691	$ 6,782,774
Profit before income tax	988,942	664,074
Income tax expense	(182,641)	(150,279)
Profit for the period	806,301	513,795
Other comprehensive (loss) income, net of tax	(56,214)	19,326
Total comprehensive income for the period	$ 750,087	$ 533,121
Comprehensive income attributable to non-controlling interest	$ 257,430	$ 182,967

Statements of cash flows

	Formosa Advanced Technologies Co., Ltd.	
	Nine-month period ended September 30,2015	Nine-month period ended September 30,2014
Net cash provided by operating activities	$ 2,478,208	$ 1,565,833
Net cash used in investing activities	(717,893)	(733,693)
Net cash used in financing activities	(615,596)	(176,889)
Increase in cash and cash equivalents	1,144,719	655,251
Cash and cash equivalents, beginning of period	1,879,627	1,071,934
Cash and cash equivalents, end of period	$ 3,024,346	$ 1,727,185

(4) Employee benefits

A.Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expenses in that period when the employees render service.

B.Pensions

(a)Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b)Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised past service costs. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates government bonds (at the balance sheet date) instead.

ii. Actuarial gains and losses arising on defined benefit plans are recognised in profit or loss using the ‘corridor’ method in the period in which they arise.

iii. Past service costs are recognised immediately in profit or loss.

iv. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

C.Employees', directors' and supervisors' remuneration

Employees' remuneration and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. However, if the accrued amounts for employees' bonus and directors' and supervisors' remuneration are different from the actual distributed amounts as resolved by the stockholders at their stockholders' meeting subsequently, the differences should be recognised based on the accounting for changes in estimates.

(5) Income tax

A.The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B.The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C.Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

D.Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.

E.Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

F.A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

G.The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

There was no significant change during this period. Please refer to Note 5 to the consolidated financial statements as of and for the year ended December 31, 2014 for related information.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	September 30, 2015	December 31, 2014	September 30, 2014
Cash on hand and petty cash (revolving funds)	$ 64,952	$ 82,717	$ 72,258
Checking accounts and demand deposits	1,753,075	2,012,479	2,405,018
Time deposits	334,278	243,371	405,341
Cash equivalents	2,946,598	1,458,301	1,076,371
	$ 5,098,903	$ 3,796,868	$ 3,958,988

A.The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote. The Group’s maximum exposure to credit risk at balance sheet date is the carrying amount of all cash and cash equivalents.

B.The range of time deposit rates on September 30, 2015, December 31, 2014 and September 30, 2014 were 0.20%~2.53% , 0.25%~1.35% and 0.25%~2.92% , respectively.

C.The Group has no cash and cash equivalents pledged to others.

(2) Financial assets at fair value through profit or loss-current

Items	September 30, 2015	December 31, 2014	September 30, 2014
Current items:			
Financial assets held for trading			
Beneficiary certificates	$ 649,854	$ 649,854	$ 429,854
Forward foreign exchange contracts	38	2,394	2,402
	649,892	652,248	432,256
Valuation adjustment of financial assets held for trading	5,106	2,251	1,395
	$ 654,998	$ 654,499	$ 433,651

A.The Group recognised net gain of $282, $1,195, $2,297 and $2,762 on financial assets held for trading for the three-month and nine-month periods ended September 30, 2015 and 2014, respectively.

B.The non-hedging derivative instrument transactions and contract information are as follows:

Derivative Instruments	September 30, 2015 Contract Amount (Notional Principal) (In dollars)	September 30, 2015 Contract Period	December 31, 2014 Contract Amount (Notional Principal) (In dollars)	December 31, 2014 Contract Period
Current items:				
Forward foreign exchange contracts				
Taipei Fubon Bank	JPY 46,200,000	2015.9~2015.11	JPY 240,470,000	2014.10~2015.3

Derivative Instruments	September 30, 2014 Contract Amount (Notional Principal) (In dollars)	September 30, 2014 Contract Period
Current items:		
Forward foreign exchange contracts		
Taipei Fubon Bank	JPY 114,700,000	2014.7~2014.10

C.The forward exchange contracts are buy and sell to hedge the change of exchange rate due to import and export transactions, but not adopting hedge accounting.

(3) Available-for-sale financial assets

	September 30, 2015	December 31, 2014	September 30, 2014
Current items:			
Listed (TSE and OTC) stocks	$ 1,497,949	$ 1,416,938	$ 1,283,247
Valuation adjustment of available-for-sale financial assets	145,592	292,677	284,687
	$ 1,643,541	$ 1,709,615	$ 1,567,934
Non-current items:			
Listed (TSE and OTC) stocks	$ 8,859,918	$ 8,859,918	$ 8,859,918
Valuation adjustment of available-for-sale financial assets	22,907,141	20,075,416	21,625,881
	31,767,059	28,935,334	30,485,799
Accumulated impairment - available-for-sale financial assets	(2,613,085)	(2,613,085)	(2,613,085)
	$ 29,153,974	$ 26,322,249	$ 27,872,714

In June 2014, the shareholders of the Group's investee - Nan Ya Technology Corporation has resolved to reduce 90% of capital to cover accumulated deficit. The record date for capital reduction was set as June 27, 2014.

(4) Notes receivable, net

	September 30, 2015	December 31, 2014	September 30, 2014
Notes receivable	$ 148,638	$ 95,066	$ 70,955
Less: allowance for bad debts	-	(1,966)	(1,966)
	$ 148,638	$ 93,100	$ 68,989

(5) Accounts receivable, net

	September 30, 2015	December 31, 2014	September 30, 2014
Accounts receivable	$ 4,425,477	$ 4,274,693	$ 4,529,488
Less: allowance for bad debts	(101,153)	(120,132)	(119,948)
	$ 4,324,324	$ 4,154,561	$ 4,409,540

A.The credit quality of accounts receivable that were neither past due nor impaired was in the following categories based on the Group's Credit Quality Control Policy:

	September 30, 2015	December 31, 2014	September 30, 2014
Group 1	$ 3,428,435	$ 3,397,231	$ 3,819,401
Group 2	273,541	341,007	303,363
Group 3	372,008	356,228	80,901
	$ 4,073,984	$ 4,094,466	$ 4,203,665

Note:

Group 1: Transnational customers, brand customers or credit customers that have applied for collateralised mortgage.

Group 2: Non-transnational customers, non-brand customers or credit customers that have not applied for collateralised mortgage with 2 or more years of transaction history with the Group.

Group 3: Non-transnational customers, non-brand customers or credit customers that have not applied for collateralised mortgage with less than 2 years of transaction history with the Group.

B.The ageing analysis of accounts receivable that were past due but not impaired is as follows:

	September 30, 2015	December 31, 2014	September 30, 2014
Up to 30 days	$ 236,109	$ 103,464	$ 149,501
31 to 90 days	89,059	50,459	124,460
91 to 180 days	7,642	7,966	28,800
Over 180 days	3,875	3,530	5,438
	$ 336,685	$ 165,419	$ 308,199

The above ageing analysis was based on past due date.

C.Movement analysis of financial assets that were impaired - allowance for bad debts is as follows:

(a)As of September 30, 2015, December 31, 2014 and September 30, 2014, the Group's accounts receivable that were impaired amounted to $14,808, $14,808 and $17,624, respectively.

(b)Movements on the Group's provision for impairment of accounts receivable are as follows:

	Nine-month period ended September 30,2015		
	Individual provision	Group provision	Total
At January 1	$ 14,808	$ 105,324	$ 120,132
(Reversal of) provision for impairment	-	(19,042)	(19,042)
Effect of exchange rate	-	63	63
At September 30	$ 14,808	$ 86,345	$ 101,153

	Nine-month period ended September 30,2014		
	Individual provision	Group provision	Total
At January 1	$ 4,181	$ 110,227	$ 114,408
(Reversal of) provision for impairment	13,443	(8,187)	5,256
Effect of exchange rate	-	284	284
At September 30	$ 17,624	$ 102,324	$ 119,948

D.The Group does not hold any collateral as security for accounts receivable.

(6) Inventories

	September 30, 2015		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 1,368,260	($ 86,573)	$ 1,281,687
Supplies	273,542	(6,229)	267,313
Work in process	2,179,822	(17,754)	2,162,068
Finished goods	3,413,257	(326,201)	3,087,056
Merchandise inventory	171,387	-	171,387
Materials in transit	479,568	-	479,568
Outsourced processed materials	164,326	-	164,326
Construction in progress	18,583	-	18,583
Land for construction	46,398	-	46,398
	$ 8,115,143	($ 436,757)	$ 7,678,386

	December 31, 2014		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 1,461,663	($ 74,416)	$ 1,387,247
Supplies	262,182	(5,110)	257,072
Work in process	2,461,667	(9,323)	2,452,344
Finished goods	3,366,167	(349,711)	3,016,456
Merchandise inventory	195,727	-	195,727
Materials in transit	415,975	-	415,975
Outsourced processed materials	163,178	-	163,178
Construction in progress	15,892	-	15,892
Land for construction	46,398	-	46,398
	$ 8,388,849	($ 438,560)	$ 7,950,289

	September 30, 2014		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 1,333,444	($ 64,611)	$ 1,268,833
Supplies	289,575	(5,357)	284,218
Work in process	2,250,898	(9,474)	2,241,424
Finished goods	3,029,262	(320,938)	2,708,324
Merchandise inventory	196,306	-	196,306
Materials in transit	472,752	-	472,752
Outsourced processed materials	163,196	-	163,196
Construction in progress	14,612	-	14,612
Land for construction	46,398	-	46,398
	$ 7,796,443	($ 400,380)	$ 7,396,063

Information about the inventories that were pledged to others as collateral is provided in Note 8.

The cost of inventories recognized as expense for the three-month and nine-month periods ended September 30, 2015 and 2014 were as follows:

	Three-month periods ended September 30, 2015	Three-month periods ended September 30, 2014
Cost of inventories sold	$ 9,020,593	$ 10,512,126
Gain on recovery (Note 1)	(29,781)	(4,787)
Others (Note 2)	2,327	1,249
	$ 8,993,139	$ 10,508,588

	Nine-month periods ended September 30, 2015	Nine-month periods ended September 30, 2014
Cost of inventories sold	$ 28,268,290	$ 32,557,596
(Gain on recovery)		
Inventory valuation loss (Note 1)	(1,802)	14,012
Others (Note 2)	(42,297)	(57,350)
	$ 28,224,191	$ 32,514,258

Note 1: Gain from recovery was recognised from sales of inventory previously provided with allowance for the year ended December 31, 2014.

Note 2: Others consist of inventory overage/shortage and disposal of scrap and defective materials.

(7) Financial assets measured at cost – non-current

Items	September 30, 2015	December 31, 2014	September 30, 2014
Unlisted stocks	$ 5,796,324	$ 5,442,727	$ 5,442,720

A.Based on the Group's intention, its investment in stocks should be classified as 'available-for-sale financial assets'. However, as stocks are not traded in active market, and no sufficient industry information of companies similar to the investees or no related financial information on the investees can be obtained, the fair value of the investment in stocks cannot be measured reliably. The Group classified those stocks as 'financial assets measured at cost'.

B.As the Company lost its significant impact on Formosa Ha Tinh Steel Corporation in September 2014, the Company has reclassified the amount as financial assets at cost – non-current. Details are provided in Note 6(8) D.

C.As of September 30, 2015, December 31, 2014 and September 30, 2014, no financial assets measured at cost held by the Group were pledged to others.

(8) Investments accounted for using equity method

	September 30, 2015	December 31, 2014	September 30, 2014
Formosa Industry Co., Ltd.	$ 2,142,158	$ 2,065,036	$ 1,981,516
Kuang Yueh Co., Ltd.	947,705	844,400	723,283
Formosa Ha Tinh Steel Corporation	25,678	-	-
	$ 3,115,541	$ 2,909,436	$ 2,704,799

A. Group’s principal associates

(a) The basic information of the associates that are material to the Group is as follows:

		Shareholding ratio			
Company name	Principal place of business	September 30, 2015	December 31, 2014	Nature of relationship	Method of measurement
Formosa Industry Co., Ltd.	Vietnam	10.00%	10.00%	Associate	Equity method
Kuang Yueh Co., Ltd.	Taiwan	20.16%	20.16%	Associate	Equity method
Changshu Yu Yuan Development Co., Ltd.	China	40.78%	-	Associate	Equity method

		Shareholding ratio		
Company name	Principal place of business	September 30, 2014	Nature of relationship	Method of measurement
Formosa Industry Co., Ltd.	Vietnam	10.00%	Associate	Equity method
Kuang Yueh Co., Ltd.	Taiwan	20.27%	Associate	Equity method

B.The financial information of the Group’s principal associates is summarized below:

Balance sheets

	Formosa Industry Co., Ltd.		
	September 30, 2015	December 31, 2014	September 30, 2014
Current assets	$ 12,147,722	$ 9,406,229	$ 13,052,693
Non-current assets	22,710,493	16,432,444	15,318,633
Current liabilities	(7,890,639)	(5,405,736)	(7,854,418)
Non-current liabilities	(6,447,349)	(683,930)	(1,603,101)
Total net assets	$ 20,520,227	$ 19,749,007	$ 18,913,807
Share in associate's net assets	$ 2,052,023	$ 1,974,901	$ 1,891,381
Difference	90,135	90,135	90,135
Carrying amount of the associate	$ 2,142,158	$ 2,065,036	$ 1,981,516

	Kuang Yueh Co., Ltd.		
	September 30, 2015	December 31, 2014	September 30, 2014
Current assets	$ 3,841,141	$ 3,331,200	$ 3,506,619
Non-current assets	3,700,166	3,034,241	2,945,505
Current liabilities	(2,582,542)	(1,931,347)	(2,608,152)
Non-current liabilities	(257,845)	(245,602)	(256,260)
Total net assets	$ 4,700,920	$ 4,188,492	$ 3,587,712
Share in associate's net assets (Carrying amount of the associate)	$ 947,705	$ 844,400	$ 723,283

	Changshu Yu Yuan Development Co., Ltd.
	September 30, 2015
Current assets	$ 342,028
Non-current assets	6,488
Current liabilities	(285,550)
Total net assets	$ 62,966
Share in associate's net assets (Carrying amount of the associate)	$ 25,678

Statements of Comprehensive Income

	Formosa Industry Co., Ltd.	
	Three-month period ended September 30, 2015	Three-month period ended September 30, 2014
Revenue	$ 4,982,381	$ 6,089,245
Profit for the period from continuing operations (Total comprehensive income)	$ 72,521	$ 242,050

	Formosa Industry Co., Ltd.	
	Nine-month period ended September 30, 2015	Nine-month period ended September 30, 2014
Revenue	$ 16,336,082	$ 18,565,246
Profit for the period from continuing operations (Total comprehensive income)	$ 877,774	$ 948,764

	Kuang Yueh Co., Ltd.	
	Three-month period ended September 30, 2015	Three-month period ended September 30, 2014
Revenue	$ 3,425,845	$ 2,941,302
Profit for the period from continuing operations (Total comprehensive income)	$ 721,036	$ 639,850

	Kuang Yueh Co., Ltd.	
	Nine-month period ended September 30, 2015	Nine-month period ended September 30, 2014
Revenue	$ 5,873,450	$ 5,288,430
Profit for the period from continuing operations (Total comprehensive income)	$ 873,669	$ 844,160

	Changshu Yu Yuan Development Co., Ltd.
	Three months ended September 30, 2015
Revenue	$ -
Loss for the period from continuing operations (Total comprehensive loss)	($ 1,091)

	Changshu Yu Yuan Development Co., Ltd.
	Nine months ended September 30, 2015
Revenue	$ -
Loss for the period from continuing operations (Total comprehensive loss)	($ 2,286)

B.The Group’s associate, Kuang Yueh Co., Ltd., has raised capital by cash in 2014. Because the Company did not acquire new shares proportionately to its ownership, the shareholding ratio as of December 31, 2014 was changed and capital surplus of $11,974 was incurred.

C.The Group’s associate, Formosa Ha Tinh Steel Corporation, has raised capital by cash in February 2014. Because the Company did not acquire new shares proportionately to its ownership, the shareholding ratio as of March 31, 2014 was changed and capital surplus of $8,501 was incurred.

D.The investment income of $151,439, $129,237, $262,753 and $198,246 for the three-month and nine-month periods ended September 30, 2015 and 2014, respectively, were accounted for under the equity method based on the investees' financial statements which were not reviewed by independent accountants.

E.The Company is the director of Formosa Industry Co., Ltd and has significant impact to its operations, thus, Formosa Industry Co., Ltd. is accounted for under the equity method.

F.The Company has signed an agreement for transferring capital contribution with FORMOSA HA TINH (CAYMAN) LIMITED in September 2014 to pay for investments in FORMOSA HA TINH (CAYMAN) LIMITED with the Company's original investment of US$173,705 in Formosa Ha Tinh Steel Corporation after reorganization. However, the Company has lost its director seat at Formosa Ha Tinh Steel Corporation, and the Company does not hold any director seat at FORMOSA HA TINH (CAYMAN) LIMITED. Thus, the capital transfer did not impact any of the two companies. The Company reclassified the original investment to 'financial assets at cost – non-current' in September 2014. Under IAS 28, 'Investments in Associates', the Company has revaluated at fair value, and recognised the difference between book value and fair value of investment as other gains and losses of $32,821.

G.The Company transferred stock of FORMOSA HA TINH (CAYMAN) LIMITED totaling 171,008,336 shares to the subsidiary-Formosa Taffeta (Cayman) Limited for reorganization.

H.In order to effectively utilise Formosa Taffeta (Changshu) Co., Ltd.'s residential land of 9,206 square metres, the Group adjusted the investment structure in March 2015 by reducing capital of Formosa Taffeta (Changshu) Co., Ltd. and splitting the above land for establishing Changshu Fushun Enterprise Management Co., Ltd., whose 100% share ownership is held by Formosa Taffeta (Hong Kong) Co., Ltd. The above capital reduction, land division and establishment of a new company were completed in the first quarter of 2015. Furthermore, Changshu Fushun Enterprise Management Co., Ltd. merged with Changshu Yu Yuan Development Co., Ltd. in July 2015, and Changshu Yu Yuan Development Co., Ltd. is the surviving company. Formosa Taffeta (Hong Kong) Co., Ltd. holds 40.78% share of Changshu Yu Yuan Development Co., Ltd.

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(9) Property, plant and equipment

January 1, 2015	Land and land improvements	Buildings	Machinery	Transportation equipment and other equipment	Construction in progress and equipment to be inspected	Total
Cost	$ 2,552,585	$ 10,448,063	$ 42,049,912	$ 9,508,253	$ 926,644	$ 65,485,457
Accumulated depreciation	(15,448)	(4,980,080)	(34,035,448)	(8,450,604)	-	(47,481,580)
Accumulated impairment	(155,738)	-	(1,991)	-	-	(157,729)
	$ 2,381,399	$ 5,467,983	$ 8,012,473	$ 1,057,649	$ 926,644	$ 17,846,148
Nine months ended September 30, 2015						
Opening net book amount	$ 2,381,399	$ 5,467,983	$ 8,012,473	$ 1,057,649	$ 926,644	$ 17,846,148
Additions	13,252	-	-	302	1,853,484	1,867,038
Disposals	-	(6)	(284,658)	(3,961)	-	(288,625)
Transfers (Note)	268	84,293	1,284,459	47,347	(1,419,441)	(3,074)
Depreciation charge	(247)	(258,274)	(1,734,373)	(187,737)	-	(2,180,631)
Net exchange differences	11	(946)	(5,046)	(1,257)	(1,075)	(8,313)
Closing net book amount	$ 2,394,683	$ 5,293,050	$ 7,272,855	$ 912,343	$ 1,359,612	$ 17,232,543
September 30, 2015						
Cost	$ 2,566,188	$ 10,536,589	$ 42,121,597	$ 9,398,237	$ 1,359,612	$ 65,982,223
Accumulated depreciation	(15,767)	(5,243,539)	(34,846,751)	(8,485,894)	-	(48,591,951)
Accumulated impairment	(155,738)	-	(1,991)	-	-	(157,729)
	$ 2,394,683	$ 5,293,050	$ 7,272,855	$ 912,343	$ 1,359,612	$ 17,232,543

Note: Transferred to maintenance charge.

	Land and land improvements	Buildings	Machinery	Transportation equipment and other equipment	Construction in progress and equipment to be inspected	Total
January 1, 2014						
Cost	$ 2,401,619	$ 10,174,392	$ 41,240,213	$ 9,579,469	$ 496,713	$ 63,892,406
Accumulated depreciation	(14,369)	(4,576,004)	(31,920,265)	(8,209,668)	-	(44,720,306)
Accumulated impairment	(155,738)	-	(1,991)	-	-	(157,729)
	$ 2,231,512	$ 5,598,388	$ 9,317,957	$ 1,369,801	$ 496,713	$ 19,014,371
Nine months ended September 30, 2014						
Opening net book amount	$ 2,231,512	$ 5,598,388	$ 9,317,957	$ 1,369,801	$ 496,713	$ 19,014,371
Additions	57,470	13	-	14,579	1,200,730	1,272,792
Disposals	-	(67)	(3,692)	(2,066)	-	(5,825)
Transfers (Note)	14,890	66,845	946,988	35,274	(1,047,948)	16,049
Depreciation charge	(237)	(252,494)	(2,029,428)	(307,725)	-	(2,589,884)
Net exchange differences	23	17,775	22,081	2,882	2,462	45,223
Closing net book amount	$ 2,303,658	$ 5,430,460	$ 8,253,906	$ 1,112,745	$ 651,957	$ 17,752,726
September 30, 2014						
Cost	$ 2,474,098	$ 10,268,017	$ 41,836,809	$ 9,493,770	$ 651,957	$ 64,724,651
Accumulated depreciation	(14,702)	(4,837,557)	(33,582,903)	(8,381,025)	-	(46,816,187)
Accumulated impairment	(155,738)	-	-	-	-	(155,738)
	$ 2,303,658	$ 5,430,460	$ 8,253,906	$ 1,112,745	$ 651,957	$ 17,752,726

Note: Transferred from prepayment for equipment.

A. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows:

	Three-month period ended September 30, 2015	Three-month period ended September 30, 2014
Amount capitalised	$ 1,602	$ 552

	Nine-month period ended September 30, 2015	Nine-month period ended September 30, 2014
Amount capitalised	$ 4,535	$ 2,413
Interest rate	1.22%~1.68%	1.26%~1.94%

B. The components and useful lives of property, plant and equipment are as follows:

Items	Significant components	Estimated useful lives
Land improvements	Pipelines	3 ~ 15 years
Buildings	Factory and gasoline stations	10 ~ 60 years
Machinery and equipment	Impregnating machine, dyeing machine and other machinery equipment	2 ~ 15 years
Transportation equipment	Pallet trucks and fork lift trucks	3 ~ 15 years
Other equipment	Cogeneration power generation	2 ~ 15 years

C. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

D. Certain regulations restrict ownership of land to individuals. Accordingly, the titles of land which the Company has acquired for future plant expansion is under the name of third parties. Such land titles were transferred and mortgaged to the Company. As of September 30, 2015 and 2014, the land mortgaged to the Company is both $586,700.

(10) Long-term prepaid rent (shown as 'Other non-current assets')

	September 30, 2015	December 31, 2014	September 30, 2014
Land use right - Formosa Taffeta Co., Ltd.	$ 1,130	$ 1,171	$ 1,264
Land use right - Formosa Taffeta (Zhong Shan)	37,632	38,490	37,061
Land use right - Formosa Taffeta (Dong Nai)	150,023	152,799	148,349
Land use right - Formosa Taffeta (Changshu)	137,703	167,906	161,143
	$ 326,488	$ 360,366	$ 347,817

A. Land use right of Formosa Taffeta Co., Ltd. pertains to the payment for the right to establish a petrol station and title transfer of land leasing right and is amortised over the land lease period under the contract. The Group recognised rental expense for the three-month and nine-month periods ended September 30, 2015 and 2014 amounting to $329, $330, $751 and $1,229, respectively.

B.Formosa Taffeta (Zhong Shan) Co., Ltd. has leased land of Xijiangbian Dingxi Village, Shenwan Town, Zhengshan, Guangdong amounting to 508 acres from Shenwan Town People's Government of Zhongshan City in Guangdong Province, Mainland China and paid land use right of HK 12,599 thousand. The effective period is 50 years from the date of issuance of certificate of land use right, and the lease period is from November 20, 1991 to November 20, 2041. The Group recognised rental expense for the three-month and nine-month periods ended September 30, 2015 and 2014 amounting to RMB 66 thousand, 99 thousand, 199 thousand and 199 thousand, respectively.

C.Formosa Taffeta (Dong Nai) Co., Ltd. has paid land use right of VND75,655,550 thousand and VND48,134,338 thousand for the leased land of 273,661.1 square meters and 65,086 square meters in Nhon Trach 3 Industrial Zone in Nhon Trach District, Dong Nai Province, Vietnam from Formosa Industries Corporation in September 2004 and December 2013, respectively. The lease period started from September 1, 2004 and December 1, 2012, respectively, and the effective periods are both 140 years from the date of issuance of certificate of land use right. The Group recognised rental expense of VND 417,986 thousand both for the three-month periods ended September 30, 2015 and 2014 and VND 1,253,959 thousand both for the nine-month periods ended September 30, 2015 and 2014.

D.Formosa Taffeta (Changshu) Co., Ltd. has leased 3 parcels of land amounting to 277,172 square meters in Economy Development Zone from Changshu City Land and Resources Bureau in Jiangsu Province, Mainland China. The effective period of land use right started from the date of issuance of certificate of land use right and the lease period ends in December 2056 to December 2076. Furthermore, partial land was not used until November 18, 2011, so the government has taken back the land. Proceeds of land amounted to RMB12,738 thousand in February 2012 and impairment loss in 2011 was RMB 4,726 thousand. Otherwise, Economy Development Zone refunded a part of money and reissue land use right for resumption of 794 square meters land. In March 2015, Formosa Taffeta (Changshu) Co., Ltd. divided some part of housing land and established a new company, Changshu Fushun Enterprise Management Co., Ltd. (details are provided in Note 6(10)E.) As of March 31, 2014, the area of the Company's 2 leased parcels of land was 166,509 square meters, and the effective period of land use right ends in December 2056. The Group recognised rental expense for the three-month and nine-month periods ended September 30, 2015 and 2014 amounting to RMB 160 thousand, RMB 182 thousand, RMB 502 thousand and RMB 546 thousand, respectively.

E. In order to effectively utilise Formosa Taffeta (Changshu) Co., Ltd.'s partial residential land, the company has reduced capital and split land of 9,206 square metres in development zone to Changshu Fushun Enterprise Management Co., Ltd. The acquisition cost is RMB 6,400 thousand and the effective period starts from the approval of certificate of land use right and ends in December 2076. However, Changshu Fushun Enterprise Management Co., Ltd. merged with

Changshu Yu Yuan Development Co., Ltd. and eliminated in July 2015. Details are provided in Note 6(8)H.

(11) Short-term borrowings

Type of borrowings	September 30, 2015	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 2,959,548	1.48%～2.24%	Property, plant and equipment and Inventories
Credit borrowings	500,000	0.98%	–
Purchase loans	36,014		–
	$ 3,495,562		

Type of borrowings	December 31, 2014	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 2,471,686	1.68%～2.14%	Property, plant and equipment and Inventories
Credit borrowing	290,000	0.98%	–
	$ 2,761,686		

Type of borrowings	September 30, 2014	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 3,199,540	1.70%～2.63%	Property, plant and equipment and Inventories
Credit borrowing	290,000	0.98%～5.88%	–
	$ 3,489,540		

(12) Short-term notes and bills payable

	September 30, 2015	December 31, 2014	September 30, 2014
Commercial paper payable	$ 1,700,000	$ 2,350,000	$ 2,300,000
Less: Commercial paper payable discount	(251)	(476)	(766)
	$ 1,699,749	$ 2,349,524	$ 2,299,234
Interest rate	0.96%	1.00%	1.01%

The abovementioned commercial paper payable is guaranteed by International Bills Finance Corp. etc.

(13) Financial liabilities at fair value through profit or loss-current

Items	September 30, 2015	December 31, 2014	September 30, 2014
Current items:			
Financial liabilities held for trading			
Forward foreign exchange contracts	$ 6,074	$ 5,843	$ 7,172

A.The Group recognised net loss of ($4,679), ($6,007), ($2,029) and ($6,707) on financial liabilities held for trading for the three-month and nine-month periods ended September 30, 2015 and 2014, respectively.

B.The non-hedging derivative instrument transactions and contract information are as follows:

Derivative Financial Liabilities	September 30, 2015 Contract Amount (Notional Principal)		September 30, 2015 Contract Period	December 31, 2014 Contract Amount (Notional Principal)		December 31, 2014 Contract Period
Current items:						
Forward foreign exchange contracts						
Chang Hwa Bank	USD	7,000	2015.8~2015.11	USD	8,000	2014.11~2015.2
Taipei Fubon Bank	JPY	173,910	2015.7~2015.11		-	-
Taipei Fubon Bank	TWD	30,404	2015.9~2015.10		-	-

Derivative Financial Liabilities	September 30, 2014 Contract Amount (Notional Principal)		September 30, 2014 Contract Period
Current items:			
Forward foreign exchange contracts			
Chang Hwa Bank	USD	15,000	2014.8~2014.11

C.The Group entered into forward foreign exchange contracts to hedge exchange rate risk of assets and liabilities denominated in foreign currencies. However, these forward foreign exchange contracts do not meet all conditions of hedge accounting and are not accounted for under hedge accounting.

(14) Other payables

	September 30, 2015	December 31, 2014	September 30, 2014
Dividends payable	$ 17,032	$ 11,395	$ 11,004
Salaries and year-end bonus payable	723,532	769,631	696,339
Accrued utilities expenses	135,754	138,524	132,711
Commission payable	117,045	44,465	78,651
Others	648,270	1,083,225	548,601
	$ 1,641,633	$ 2,047,240	$ 1,467,306

(15) Long-term borrowings

	September 30, 2015	December 31, 2014	September 30, 2014
Bank borrowings			
Secured borrowings	$ 494,308	$ 390,685	$ 333,205
Credit borrowing	10,100,000	8,900,000	8,900,000
	10,594,308	9,290,685	9,233,205
Less: current portion (Shown as other currrent liabilities)	(94,110)	(71,790)	(83,301)
	$ 10,500,198	$ 9,218,895	$ 9,149,904
Interest rate	1.18%~1.35%	1.23%~1.40%	1.25%~1.33%

The above long-term loans include a loan for $2,000,000, which requires the Company to maintain a current ratio of not lower than 100% within the contract period (2013/6/21~2016/6/21). The Company amended the contract in June 2014, which revised the contract period as 2014/7/21 ~2016/7/21. The ratio calculation shall be based on the Company's financial statements.

If the Company fails to meet the required ratio, it should improve no later than September of the following year. The Company should provide the audited financial statements to the banks no later than April of the following year.

(16) Pensions

A.(a)The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee.

(b)For the aforementioned pension plan, the Group recognised pension costs of $26,025, $25,120, $74,048 and $72,610 for the three-month and nine-month periods ended September 30, 2015 and 2014, respectively.

(c)Expected contributions to the defined benefit pension plans of the Group within one year from December 31, 2015 amount to $20,006.

B.(a)Effective July 1, 2005, the Company and its domestic subsidiaries have established defined contribution pension plans (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b)The Company's Mainland China subsidiaries, Formosa Taffeta (Zhong Shan) Co., Ltd., Formosa Taffeta (Changshu) Co., Ltd., and Xiamen Xiangyu Formosa Import & Export Trading Co., Ltd. have defined contribution plans. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on a certain percentage of the employees' monthly salaries and wages. The contribution percentage was between 10% and 20%. Other than the monthly contributions, the Group has no further obligations.

(c)The Company's subsidiaries, Formosa Taffeta Vietnam Co., Ltd. and Formosa Taffeta (Dong Nai) Co., Ltd. have defined contribution plans. Contributions of social security to an independent fund administered by the government in accordance with the pension regulations of local governments are based on certain percentage of employees' salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(d)Formosa Taffeta (Hong Kong) Co., Ltd. and Schoeller FTC (Hong Kong) Co., Ltd. have defined contribution plans whereby contributions are made to the mandatory provident fund based on a percentage of the employees' salaries and wages as full-time employees' pension benefit.

(e)Formosa Taffeta (Cayman) Co., Ltd. does not have a pension plan, and is not required to have one under local regulation.

(f)The pension costs under the defined contribution pension plans of the Group for the three-month and nine-month periods ended September 30, 2015 and 2014 were $34,758, $29,217, $108,131 and $93,686, respectively.

(17) Share capital

A.As of September 30, 2015, the Company's issued capital was $16,846,646, consisting of 1,684,665,000 shares of common stock, with a par value of $10 per share.

B.For the nine-month periods ended September 31, 2015 and 2014, changes in the number of treasury stocks are as follows (in thousands of shares):

	Nine-month period ended September 30,2015				
Reason for reacquisition	Investee company	Beginning Shares	Additions	Disposal (Note)	Ending Shares
Long-term equity investment transferred to treasury stock for parent company's shares held by subsidiaries	Formosa Development Co., Ltd.	2,613	-	(50)	2,563

Note: The capital surplus amounting to $1,058 resulted from the subsidiary, Formosa Development Co., Ltd.'s, disposal of 50,000 shares of the parent company.

		Nine-month period ended September 30,2014			
Reason for reacquisition	Investee company	Beginning Shares	Additions	Disposal (Note)	Ending Shares
Long-term equity investment transferred to treasury stock for parent company's shares held by subsidiaries	Formosa Development Co., Ltd.	2,693	-	(80)	2,613

Note: The capital surplus amounting to $1,445 resulted from the subsidiary, Formosa Development Co., Ltd.'s disposal of 80,000 shares of the parent company.

C.The above mentioned treasury stocks were acquired by the subsidiary, Formosa Development Co., Ltd., for investment purposes.

D.As of September 30, 2015 and 2014, the market price per share was $31.05 and $29.90, respectively.

(18) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(19) Retained earnings

A.According to the R.O.C. Securities Exchange Law No. 41, a company should reserve the amount equal to any valuation or contra-account in the stockholders' equity in the fiscal year from the net income and prior unappropriated earnings as special reserve. If the valuation or contra-account in stockholders' equity belongs to prior periods, the same amount from prior period earnings should be considered special reserve and cannot be distributed. The special reserve includes: i) reserve for special purposes, ii) investment income recognised under the equity method, iii) net proceeds from the recognition of financial asset transactions; only when the accumulated value decreases should the special reserve be adjusted by the same amount, subject to the provisions in this section; and iv) other special reserves set out by legal provisions.

According to the R.O.C. Company Law and the Company's Articles of Incorporation, the annual net income should be used initially to cover any accumulated deficit; 10% of the annual net income should be set aside as legal reserve and special reserve. The remaining balance shall be distributed to shareholders according to their shareholding percentage. After deducting the above items, the remaining earnings, if any, shall be appropriated up to 1% as directors' and supervisors' compensation, and 0.1% to 1% as employees' bonus, which shall be recognized as current expense. In accordance with the Company Act amended on May 20, 2015, a company shall distribute employee remuneration, based on the current year's profit condition, in a fixed amount or a proportion of profits. However, the Company recognised directors' and supervisors' compensation and employees' bonus in accordance with the unmodified Company's Articles of Incorporation before modifying the Company's Articles.

B.The Company's dividend policy is summarized below:

As the Company operates in a volatile business environment and is in the stable growth stage, the dividend policy includes cash dividends, stock dividends and capital increase by earnings recapitalization. At least 50% of the Company's distributable earnings shall be appropriated as dividends after deducting the legal reserve and special reserves. The Company would prefer distributing cash dividends. However, if significant investment measures are taken or the Company's financial structure needs to be improved, part of the dividends would be in the form of stock dividends but not to exceed 50% of the total dividends.

C.Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D.The appropriations of 2014 and 2013 earnings had been resolved at the stockholders' meeting on June 26, 2015 and June 26, 2014, respectively. Details are summarized below:

	2014 earnings		2013 earnings	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 351,837		$ 212,905	
Special reserve	737,562		608,754	
Cash dividends	2,358,530	$ 1.40	1,684,664	$ 1.00
	$ 3,447,929		$ 2,506,323	

The estimated appropriations of 2014 and 2013 earnings proposed by the Board of Directors were the same as the actual appropriations approved by the shareholders. Information on the appropriation of the Company's earnings as resolved by the Board of Directors and approved by stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange Corporation.

E. For information relating to employees' remuneration (bonuses) and directors' and supervisors' remuneration, please refer to Note 6(25).

F.As of September 30, 2015 and 2014, unpaid stock dividends amounted to $13,764 and $8,952, respectively.

(20) Other equity items

	Available-for-sale investments	Currency translation	Non-controlling interest
January 1, 2015	$ 20,331,798	$ 385,721	$ 3,209,154
Change in unrealised gain or loss of available-for-sale financial assets			
— Parent company	2,740,855	-	-
— Associates	(41,198)	-	-
— Non-controlling interest	-	-	(19,292)
Difference of long-term equity investment from cumulative translation differences of foreign operations			
— Parent company	-	352,064	-
— Associates	-	(3,370)	-
— Non-controlling interest	-	-	(3,553)
Net income of non-controlling interest	-	-	283,124
Cash dividends paid by consolidated subsidiaries	-	-	(228,798)
September 30, 2015	$ 23,031,455	$ 734,415	$ 3,240,635

	Available-for-sale investments	Currency translation	Non-controlling interest
January 1, 2014	$ 24,614,399	($ 95,294)	$ 2,958,224
Change in unrealised gain or loss on available-for-sale financial assets			
─ Parent company	(2,744,574)	-	-
─ Associates	12,199	-	-
─ Non-controlling interest	(4,630)	-	6,375
Difference of long-term equity investment from cumulative translation differences of foreign operations			
─ Parent company	-	146,393	-
─ Associates	-	888	-
─ Non-controlling interest	-	-	347
Net income of non-controlling interest	-	-	186,588
Cash dividends paid by consolidated subsidiaries	-	-	(60,703)
September 30, 2014	$ 21,877,394	$ 51,987	$ 3,090,831

(21) Operating revenue

	Three-month periods ended September 30,	
	2015	2014
Sales revenue	$ 10,145,579	$ 11,699,286
Service revenue	120,042	121,640
	$ 10,265,621	$ 11,820,926

	Nine-month periods ended September 30,	
	2015	2014
Sales revenue	$ 32,565,510	$ 36,479,174
Service revenue	326,040	350,423
	$ 32,891,550	$ 36,829,597

(22) Other income

	Three-month periods ended September 30,	
	2015	2014
Interest income from bank deposits	$ 8,137	$ 6,525
Dividend income	382,859	964,116
Other income	50,077	67,000
	$ 441,073	$ 1,037,641

	Nine-month periods ended September 30,	
	2015	2014
Interest income from bank deposits	$ 19,643	$ 15,621
Dividend income	386,084	967,716
Other income	250,326	155,443
	$ 656,053	$ 1,138,780

(23) Other gains and losses

	Three-month periods ended September 30,	
	2015	2014
Forward foreign exchange contracts		
Net gain on financial assets at fair value through profit or loss	$ 282	$ 1,195
Net loss on financial liabilities at fair value through profit or loss	(4,679)	(6,007)
Net currency exchange gain	127,853	67,431
Gain on disposal of property, plant and equipment	385	3,604
Bank charges	(8,115)	(11,625)
Gain on disposal of investments	-	32,821
Other losses	(23,489)	(45,789)
	$ 92,237	$ 41,630

	Nine-month periods ended September 30,	
	2015	2014
Forward foreign exchange contracts		
Net gain on financial assets at fair value through profit or loss	$ 2,297	$ 2,762
Net loss on financial liabilities at fair value through profit or loss	(2,029)	(6,707)
Net currency exchange loss	28,128	66,499
(Loss) gain on disposal of property, plant and equipment	(227,605)	12,772
Bank charges	(23,272)	(32,493)
Gain on disposal of investments	-	36,476
Other losses	(93,193)	(111,233)
	($ 315,674)	($ 31,924)

(24) Expenses by nature

	Three-month periods ended September 30,	
	2015	2014
Employee benefit expense	$ 1,186,054	$ 1,163,313
Depreciation charges on property, plant and equipment	705,449	816,328
	$ 1,891,503	$ 1,979,641

	Nine-month periods ended September 30,	
	2015	2014
Employee benefit expense	$ 3,633,022	$ 3,538,201
Depreciation charges on property, plant and equipment	2,180,631	2,589,884
	$ 5,813,653	$ 6,128,085

(25) Employee benefit expense

	Three-month periods ended September 30,	
	2015	2014
Wages and salaries	$ 987,497	$ 979,602
Labour and health insurance fees	103,888	90,841
Pension costs	60,783	54,337
Other personnel expenses	33,886	38,533
	$ 1,186,054	$ 1,163,313

	Nine-month periods ended September 30,	
	2015	2014
Wages and salaries	$ 3,048,541	$ 2,997,961
Labour and health insurance fees	307,120	281,208
Pension costs	182,179	166,296
Other personnel expenses	95,182	92,736
	$ 3,633,022	$ 3,538,201

A. For information relating to employees’ remuneration (bonuses) and directors’ and supervisors’ remuneration in accordance of the Company’s Articles of Incorporation, please refer to Note 6(19). However, in accordance with the Company Act amended on May 20, 2015, a company shall distribute employee remuneration, based on the current year's profit condition, in a fixed amount or a proportion of profits. If a company has accumulated deficit, earnings should be channeled to cover losses. Aforementioned employee remuneration could be paid by cash or stocks. Specifics of the compensation are to be determined in a board meeting that registers two-thirds of directors in attendance, and the resolution must receive support from half of participating members. The resolution should be reported to the shareholders' meeting. Qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, entitled to receive aforementioned stock or cash may be specified in the Articles of Incorporation.

B.For the three-month and nine-month periods ended September 30, 2015 and 2014, employees’ remuneration (bonus) was accrued at $916, $1,455, $1,999 and $2,611, respectively; while directors’ and supervisors’ remuneration was accrued at $458, $727, $999 and $1,305, respectively. The aforementioned amounts were recognized in salary expenses. The expenses recognized for 2015 and 2014 were accrued based on the net income for 2015 and 2014 and the percentage specified in the Articles of Incorporation of the Company, taking into account other factors such as legal reserve, special reserve and dividend.

C.The employees’ bonus and directors’ and supervisors’ remuneration for 2014 approved by shareholders were the same as the amount shown in the 2014 financial statements. However, the appropriations for 2014 have not yet been paid.

D. Information about the appropriation of employees’ bonus and directors’ and supervisors’ remuneration by the Company as proposed by the Board of Directors and resolved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(26) Finance costs

	Three-month periods ended September 30,	
	2015	2014
Interest expense:		
Bank borrowings	$ 50,430	$ 53,035
Less: capitalisation of qualifying assets	(1,602)	(552)
Finance costs	$ 48,828	$ 52,483

	Nine-month periods ended September 30,	
	2015	2014
Interest expense:		
Bank borrowings	$ 147,493	$ 164,068
Less: capitalisation of qualifying assets	(4,535)	(2,413)
Finance costs	$ 142,958	$ 161,655

(27) Income tax

A.Income tax expense

	Three-month periods ended September 30,	
	2015	2014
Current tax:		
Current tax on profits for the period	$ 39,479	$ 22,838
Adjustments in respect of prior period	23	1,938
Prepayment of taxes	54,176	381
Impact of change in tax rate	(2,160)	(543)
Total current tax	91,518	24,614
Deferred tax:		
Origination and reversal of temporary differences	14,461	63,619
Income tax expense	$ 105,979	$ 88,233

	Nine-month periods ended September 30, 2015		Nine-month periods ended September 30, 2014	
Current tax:				
Current tax on profits for the period	$	241,973	$	71,414
Tax on undistributed surplus earnings		83,712		23,148
Adjustments in respect of prior period		9,554		20,360
Prepayment of taxes		54,948		819
Impact of change in tax rate	(	1,213)		298
Total current tax		388,974		116,039
Deferred tax:				
Origination and reversal of temporary differences		109,074		148,458
Income tax expense	$	498,048	$	264,497

B. The income tax returns of the Company through 2012 have been assessed and approved by the Tax Authority; while that of Formosa Advanced Technologies Co., Ltd. and Formosa Development Co., Ltd. have been assessed and approved by the Tax Authority through 2013.

C. Starting from January 1, 2007, the enterprise income tax of Formosa Taffeta (Zhong Shan) Co., Ltd., Formosa Taffeta (Changshu) Co., Ltd., Changshu Fushun Enterprise Management Co., Ltd. and Xiamen Xiangyu Formosa Import & Export Trading Co., Ltd. is based on 25% of income generated within and outside Mainland China.

D. The income tax rate of the Company’s subsidiary, Formosa Taffeta Vietnam Co., Ltd., was approved by the Vietnam government to be 10% for 15 years from the year of official establishment (December 1993). The Company was granted income tax exemption for 4 years from the first profit – making year and 25% income tax exemption for the next 4 years.

E. The income tax rate of Formosa Taffeta (Dong Nai) Co., Ltd. was approved by the Vietnam government to be 15% for 12 years from the year of official establishment (October 2006); and 25% after 12 years. The Company was granted income tax exemption for 3 years from the first profit–making year making profit and income tax reduction of 15% or 25% for the next 4 to 10 years.

F. In accordance with local tax regulations, the applicable income tax rate of the Company’s subsidiary, Schoeller F.T.C. (Hong Kong) Co., Ltd., and indirectly owned subsidiary, Formosa Taffeta (Hong Kong) Co., Ltd., was 16.5%.

G. As of September 30, 2015, the unused loss carryforward of the Company’s subsidiary, Formosa Taffeta (Changshu) Co., Ltd., was RMB 12,990 thousand, which was not recognised as deferred income tax assets. The final creditable year is 2015.

H. Unappropriated retained earnings:

	September 30, 2015	December 31, 2014
Earnings generated in and after 1998	$ 3,412,599	$ 4,636,684

	September 30, 2014	January 1, 2014
Earnings generated in and after 1998	$ 4,111,687	$ 3,464,878

I. Shareholders' creditable tax:

	September 30, 2015	December 31, 2014	September 30, 2014
Creditable account balance	$ 95,159	$ 222,230	$ 222,230

	Years ended December 31,	
	2014 (Actual)	2013 (Actual)
Creditable tax ratio	15.86%	15.49%

(28) Earnings per share

A. Basic earnings per share

The calculation of basic earnings per share is profit or loss attributable to the common stockholders of the Company's parent company divided by the weighted average number of outstanding common stocks for the period.

	Three months ended September 30, 2015				
	Amount		Weighted-average outstanding common shares (in thousands)	Earnings per share (in dollars)	
	Before tax	After tax		Before tax	After tax
Net income	$ 1,227,954	$ 1,121,975	1,682,074	$ 0.73	$ 0.67
Profit attributable to the non-controlling interest	(157,651)	(102,825)		(0.09)	(0.06)
Profit attributable to the parent	$ 1,070,303	$ 1,019,150		$ 0.64	$ 0.61

	Three months ended September 30, 2014				
	Amount		Weighted-average outstanding common shares (in thousands)	Earnings per share (in dollars)	
	Before tax	After tax		Before tax	After tax
Net income	$ 1,733,578	$ 1,645,345	1,681,988	$ 1.03	$ 0.98
Profit attributable to the non-controlling interest	(141,759)	(67,572)		(0.08)	(0.04)
Profit attributable to the parent	$ 1,591,819	$ 1,577,773		$ 0.95	$ 0.94

	Nine months ended September 30, 2015				
	Amount		Weighted-average outstanding common shares (in thousands)	Earnings per share (in dollars)	
	Before tax	After tax		Before tax	After tax
Net income	$ 3,005,016	$ 2,506,968	1,682,074	$ 1.79	$ 1.49
Profit attributable to the non-controlling interest	(555,212)	(283,124)		(0.33)	(0.16)
Profit attributable to the parent	$ 2,449,804	$ 2,223,844		$ 1.46	$ 1.33

	Nine months ended September 30, 2014				
	Amount		Weighted-average outstanding common shares (in thousands)	Earnings per share (in dollars)	
	Before tax	After tax		Before tax	After tax
Net income	$ 3,313,191	$ 3,048,694	1,681,988	$ 1.97	$ 1.81
Profit attributable to the non-controlling interest	(398,127)	(186,588)		(0.24)	(0.11)
Profit attributable to the parent	$ 2,915,064	$ 2,862,106		$ 1.73	$ 1.70

The following is earnings per share assuming the shares of the Company held by its subsidiary, Formosa Development Co., Ltd., are not deemed as treasury stock:

	Three months ended September 30, 2015				
	Amount		Weighted-average outstanding common shares	Earnings per share (in dollars)	
	Before tax	After tax	(in thousands)	Before tax	After tax
Net income	$ 1,227,954	$ 1,121,975	1,684,665	$ 0.73	$ 0.67
Profit attributable to the non-controlling interest	(157,651)	(102,825)		(0.09)	(0.06)
Profit attributable to the parent	$ 1,070,303	$ 1,019,150		$ 0.64	$ 0.61

	Three months ended September 30, 2014				
	Amount		Weighted-average outstanding common shares	Earnings per share (in dollars)	
	Before tax	After tax	(in thousands)	Before tax	After tax
Net income	$ 1,733,578	$ 1,645,345	1,684,665	$ 1.03	$ 0.98
Profit attributable to the non-controlling interest	(141,759)	(67,572)		(0.08)	(0.04)
Profit attributable to the parent	$ 1,591,819	$ 1,577,773		$ 0.95	$ 0.94

	Nine months ended September 30, 2015				
	Amount		Weighted-average outstanding common shares	Earnings per share (in dollars)	
	Before tax	After tax	(in thousands)	Before tax	After tax
Net income	$ 3,005,016	$ 2,506,968	1,684,665	$ 1.78	$ 1.49
Profit attributable to the non-controlling interest	(555,212)	(283,124)		(0.33)	(0.16)
Profit attributable to the parent	$ 2,449,804	$ 2,223,844		$ 1.45	$ 1.33

	Nine months ended September 30, 2014				
	Amount		Weighted-average outstanding common shares	Earnings per share (in dollars)	
	Before tax	After tax	(in thousands)	Before tax	After tax
Net income	$ 3,313,191	$ 3,048,694	1,684,665	$ 1.97	$ 1.81
Profit attributable to the non-controlling interest	(398,127)	(186,588)		(0.24)	(0.11)
Profit attributable to the parent	$ 2,915,064	$ 2,862,106		$ 1.73	$ 1.70

B. Employees' bonuses could be distributed in the form of stock. It does not have significant effect on the financial statements and earnings per share for the nine-month periods ended September 30, 2015 and 2014.

(29) Non-cash transaction

Investing activities with partial cash payments:

	Nine-month periods ended September 30,	
	2015	2014
Purchase of property, plant and equipment	$ 1,867,038	$ 1,272,792
Add: opening balance of payable on equipment	89,748	16,096
Less: ending balance of payable on equipment	(164,641)	(83,809)
Cash paid during the period	$ 1,792,145	$ 1,205,079

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company is controlled by FORMOSA CHEMICAL & FIBRE CORPORATION (incorporated in R.O.C), which owns 37.4% of the Company’s shares. The ultimate controlling party of the Company is FORMOSA CHEMICAL & FIBRE CORPORATION.

(2) Significant related party transactions and balances

A. Operating revenue

	Three-month periods ended September 30, 2015	2014
Sales of goods:		
－Ultimate parent	$ 26,988	$ 29,316
－Associates	1,719,764	1,680,528
	$ 1,746,752	$ 1,709,844

	Nine-month periods ended September 30, 2015	2014
Sales of goods:		
－Ultimate parent	$ 92,849	$ 129,093
－Associates	5,666,263	5,130,918
	$ 5,759,112	$ 5,260,011

Goods are sold based on the price lists in force and terms that would be available to third parties.

B. Purchases of goods

	Three-month periods ended September 30, 2015	2014
Purchases of goods:		
－Ultimate parent	$ 631,575	$ 759,143
－Associates	3,151,670	4,269,371
	$ 3,783,245	$ 5,028,514

	Nine-month periods ended September 30, 2015	2014
Purchases of goods:		
－Ultimate parent	$ 2,034,746	$ 2,396,539
－Associates	9,665,006	12,799,258
	$ 11,699,752	$ 15,195,797

Goods and services are purchased from associates and an entity controlled by key management personnel on normal commercial terms and conditions.

C. Receivables from related parties

	September 30, 2015	December 31, 2014	September 30, 2014
Notes and accounts receivable:			
－Ultimate parent	$ 5,320	$ 6,770	$ 9,810
－Associates	1,337,211	1,317,903	1,256,588
Less: Overdue accounts receivable reclassified as "other receivables"	-	-	(768)
	$ 1,342,531	$ 1,324,673	$ 1,265,630

The receivables from related parties arise mainly from sale transactions. The receivables are due

45~120 days after the date of sale. There are no provisions held against receivables from related parties.

D. Notes and accounts payable

	September 30, 2015		December 31, 2014		September 30, 2014	
Notes and accounts payable:						
－Ultimate parent	$	595,310	$	605,773	$	555,381
－Associates		594,705		868,401		976,559
	$	1,190,015	$	1,474,174	$	1,531,940

The payables to related parties arise mainly from purchase transactions and are due 15~60 days after the date of purchase. The payables bear no interest.

E. Others

Formosa Taffeta (Dong Nai) Co., Ltd. was consigned by the related party, Formosa Industry, to provide management services to Nhon Trach 3 Industrial Zone. In accordance with the service consignment contract signed by Formosa Taffeta (Dong Nai) Co., Ltd. and Nhon Trach 3 Industrial Zone each year, Formosa Taffeta (Dong Nai) Co., Ltd. is engaged in managing land that is available for rent, meter reading and payment collection of water, electricity, steam and other public liquid sold to leasees in investment district, repairing and performing service on various public facilities of power plant. In accordance with the contract, Formosa Taffeta (Dong Nai) Co., Ltd.'s collectible service expense is as follows:

i. Land lease expense: 3% of Formosa Industry's land rent revenue

ii. Public liquid service expense: 3% of Formosa Industry's monthly sale of electricity to lessees in investment district

iii. Management expense: the full amount of management expense collected from lessees in investment district to Formosa Industry is to be paid to the Company and its subsidiaries

For the three-month and nine-month periods ended September 30, 2015 and 2014, Formosa Taffeta (Dong Nai) Co., Ltd. has recognised lease service in investment district of $7,414, $6,462, $21,443 and $19,755, respectively, for rendering the abovementioned consigned services. As of September 30, 2015, December 31, 2014 and September 30, 2014, the uncollected amount of $5,510, $5,279 and $2,400, respectively, was recognised under 'other receivables'.

For the above land leasing, as of September 30, 2015, December 31, 2014 and September 30, 2014, there was no management expense and utility expense which Formosa Taffeta (Dong Nai) Co., Ltd. is due to collect from the related party, Formosa Industry.

(3) Key management compensation

	Three-month periods ended September 30, 2015	Three-month periods ended September 30, 2014
Salaries and other short-term employee benefits	$ 5,528	$ 3,352

	Nine-month periods ended September 30, 2015	Nine-month periods ended September 30, 2014
Salaries and other short-term employee benefits	$ 30,301	$ 30,683

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

Item	Book Value September 30, 2015	Book Value December 31, 2014	Purpose
Property, plant and equipment	$ 140,295	$ 140,762	Security for short-term borrowings
Inventories (Held-to-maturity land)	26,798	40,287	Security for short-term borrowings
	$ 167,093	$ 181,049	

Item	Book Value September 30, 2014	Purpose
Property, plant and equipment	$ 140,937	Security for long-term and short-term borrowings
Inventories (Held-to-maturity land)	40,287	Security for long-term and short-term borrowings
	$ 181,224	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) As of September 30, 2015, the significant commitments and contingent liabilities are the outstanding letters of credit for materials and equipment purchases with various companies listed as follows:

Currency	Amount
USD	$ 2,258
JPY	65,753
EUR	2,317
CHF	982

(2) Formosa Advanced Technologies Co., Ltd., is engaged in the processing of various integrated circuits packaging test and is responsible for custody for which the subsidiary needs to compensate if lost. As of September 30, 2015, the items in custody amount are as follows:

	September 30, 2015	
	Quantity (Unit: piece)	Market value (per piece)
A. Work in process		
LED	27,152,703	NTD 0.13~1.13
FBGA	51,458,022	USD 1.00~19.50
TSOP	9,982,032	USD 0.43~0.90
LED assembly	3,622,233	NTD 0.51
MICRO-SD	550,492	USD 4.90~40.00
Module	542,353	USD 1.34~8.00
Others	128,308	USD 1.70~8.80
	93,436,143	

	Quantity (Unit: piece)	Market value (per piece)
B. Finished goods		
LED	44,693,714	NTD 0.13~1.13
FBGA	93,509,502	USD 1.00~19.50
TSOP	16,176,309	USD 0.43~0.90
LED assembly	4,526,309	NTD 0.51
MICRO-SD	38,973	USD 4.90~40.00
Module	250,693	USD 1.34~8.00
Others	2,218	USD 1.70~8.80
Total	159,197,718	

	Quantity (Unit: piece)	Market value (per piece)
C. Work in process		
LED	2,082	NTD 1,210~4,810
Others	1,217	USD 1,500
	3,299	

	Quantity (Unit: piece)	
D. Finished goods		
LED	2,058	NTD 1,210~4,810

	Quantity (Unit: piece)	Market value (per piece)
E. Work in process		
Module	48,910	USD 4.90~40.00

	Quantity (Unit: piece)	Market value (per piece)
F. Finished goods		
Module	52,186	USD 4.90~40.00

	Quantity (Unit: piece)	Market value (per piece)
G. Work in process		
LED assembly	120	NTD 95.8

	Quantity (Unit: piece)	Market value (per piece)
H. Finished goods		
LED assembly	326	NTD 95.8

(3) Endorsements and guarantees

As of September 30, 2015, in order to assist the subsidiaries is obtaining credit line, the Company has guaranteed the following amounts for subsidiaries:

Name of company	Nine months ended September 30, 2015
FORMOSA TAFFETA (ZHONG SHAN) CO., LTD.	$ 2,300,900
FORMOSA TAFFETA VIETNAM CO., LTD.	2,136,550
FORMOSA TAFFETA (CHANGSHU) CO., LTD.	2,662,470
FORMOSA TAFFETA (DONG NAI) CO., LTD.	2,674,114

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

There was no significant change during this period. Please refer to Note 12 to the consolidated financial statements as of and for the year ended December 31, 2014 for related information.

(2) Financial instruments

A.Fair value information of financial instruments

There was no significant change during this period. Please refer to Note 12 to the consolidated financial statements as of and for the year ended December 31, 2014 for related information.

B.Financial risk management policies

There was no significant change during this period. Please refer to Note 12 to the consolidated financial statements as of and for the year ended December 31, 2014 for related information.

C.Significant financial risks and degrees of financial risks

Except for the following items, there was no significant change during this period. Please refer to Note 12 to the consolidated financial statements as of and for the year ended December 31, 2014 for related information.

(a)Market risk

a. Foreign exchange risk

Some of the Group's transactions are conducted in foreign currencies, which are subject to exchange rate fluctuation. The information on foreign currency denominated assets and liabilities are as follows:

	September 30, 2015		
	Foreign Currency Amount (In Thousands)	Exchange Rate	Book Value (NTD)
(Foreign currency : functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 113,859	33.13	$ 3,772,149
USD:RMB	6,638	6.36	219,917
Non-monetary items			
VND:NTD	2,738,486,284	0.0015	4,107,729
HKD:NTD	254,586	4.26	1,084,536
RMB:NTD	531,525	5.21	2,769,245
USD:NTD	166,305	33.13	5,509,685
Financial liabilities			
Monetary items			
USD:NTD	4,755	33.13	157,533
USD:RMB	48,629	6.36	1,611,079

	December 31, 2014		
	Foreign Currency Amount (In Thousands)	Exchange Rate	Book Value (NTD)
(Foreign currency : functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 114,360	31.72	$ 3,627,499
USD:RMB	7,942	6.12	251,920
Non-monetary items			
VND:NTD	4,007,652,492	0.0015	6,011,479
HKD:NTD	263,970	4.09	1,079,637
RMB:NTD	530,535	5.18	2,748,171
USD:NTD	5,952	31.72	188,797
Financial liabilities			
Monetary items			
USD:NTD	7,476	31.72	237,139
USD:RMB	45,869	6.12	1,454,965

	September 30, 2014		
	Foreign Cruuency Amount (In Thousands)	Exchange Rate	Book Value (NTD)
(Foreign currency : functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 131,142	30.44	$ 3,991,962
JPY:NTD	379,366	0.28	106,222
USD:RMB	9,647	6.15	293,624
Non-monetary items			
VND:NTD	1,381,810,321	0.0014	1,981,516
Financial liabilities			
Monetary items			
USD:NTD	6,925	30.44	210,797
USD:RMB	61,588	6.15	1,874,739

D. The total exchange gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the three-month and nine-month periods ended September 30, 2015 and 2014 amounted to $127,853, $67,431, $28,128 and $66,499, respectively.

Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Nine months ended September 30, 2015		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency : functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 37,721	$ -
USD:RMB	1%	2,199	-
Non-monetary items			
VND:NTD	1%	-	41,077
HKD:NTD	1%	-	10,845
RMB:NTD	1%	-	27,692
USD:NTD	1%	-	55,097
Financial liabilities			
Monetary items			
USD:NTD	1%	1,575	-
USD:RMB	1%	16,111	-

	Nine months ended September 30, 2014		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency : functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 39,920	$ -
JPY:NTD	1%	1,062	-
USD:RMB	1%	2,936	-
Non-monetary items			
VND:NTD	1%	-	19,815
Financial liabilities			
Monetary items			
USD:NTD	1%	2,108	-
USD:RMB	1%	18,747	-

b. Price risk

i. The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet either as available-for-sale or at fair value through profit or loss. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group's investments in equity securities comprise domestic listed and unlisted stocks and beneficiary certificates. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the nine-month periods ended September 30, 2015 and 2014 would have increased/decreased by $5,436 and $3,579, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $307,975 and $294,406, respectively, as a result of gains/losses on equity securities classified as available-for-sale.

c. Interest rate risk

i. The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to fair value interest rate risk and cash flow interest rate risk. During the nine-month periods ended September 30, 2015 and 2014, the Group's borrowings at variable rate were denominated in the NTD and USD.

ii. At September 30, 2015 and 2014, if interest rates on NTD-denominated borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the nine-month periods ended September 30, 2015 and 2014 would have been $62,873 and $55,403 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

iii. At September 30, 2015 and 2014, if interest rates on USD-denominated borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the nine-month periods ended September 30, 2015 and 2014 would have been $2,251 and $1,874 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b)Credit risk

a.The equity financial instruments have active markets and are transacted through a stock exchange market or over-the counter market, or with financial institutions which are all in good credit standing. Therefore, the credit risk is low. Besides, the Company's policy requires that transactions for financial assets carried at cost be conducted with counterparties that meet the specified credit rating reqirement; thus, the possibility that credit risk will arise is remote.

b.The Company's policy requires that wholesale sales of products are made to clients with an appropriate credit review procedures. Therefore, the maximum loss arising from credit risk is equal to the book value of accounts receivable.

c.Loan guarantees provided by the Company are in compliance with the Company's "Procedures for Provision of Endorsements and Guarantees" and are only provided to affiliated companies of which the Company owns directly or indirectly more than 50% ownership. As the Company is fully aware of the credit conditions of these related parties, it has not asked for collateral for the loan guarantees provided. In the event that these related parties fail to comply with loan agreements with banks, the maximum loss to the Company is the total amount of loan guarantees.

d. No credit limits were exceeded during the reporting periods, and management does not expect any significant losses from non-performance by these counterparties.

e. The individual analysis of financial assets that had been impaired is provided in the statement for each type of financial assets in Note 6.

(c)Liquidity risk

a.The Group's investments in equity financial instruments which have active markets are expected to be sold easily and quickly in the market at the price close to fair value. The Group's investments in equity financial instruments without active markets are exposed to liquidity risk.

b.Due to well-managed operations, the Company has an excellent credit standing with financial institutions and the money market, and has adequate working capital to meet commitments associated with receivables and payables. Therefore, no liquidity risk is expected to arise.

c.The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities.

September 30, 2015	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
Short-term borrowings	$ 3,547,008	$ -	$ -
Short-term bills payable	1,700,000	-	-
Notes payable (including related parties)	396,115	-	-
Accounts payable (including related parties)	2,603,998	-	-
Other payables	1,641,633	-	-
Long-term borrowings (including current portion)	221,990	7,792,974	2,589,189
Financial guarantee contracts	3,454,961	-	-

December 31, 2014	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
Short-term borrowings	$ 2,761,686	$ -	$ -
Short-term bills payable	2,350,000	-	-
Notes payable (including related parties)	493,727	-	-
Accounts payable (including related parties)	2,355,900	-	-
Other payables	2,047,240	-	-
Long-term borrowings (including current portion)	187,982	9,039,479	247,106
Financial guarantee contracts	2,805,472	-	-

September 30, 2014	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
Short-term borrowings	$ 3,489,742	$ -	$ -
Short-term bills payable	2,300,000	-	-
Notes payable (including related parties)	393,660	-	-
Accounts payable (including related parties)	2,653,351	-	-
Other payables	1,467,306	-	-
Long-term borrowings (including current portion)	198,288	9,048,533	166,602
Financial guarantee contracts	3,426,350	-	-

(d)As of September 30, 2015, December 31, 2014 and September 30, 2014, the derivative financial liabilities all mature within 1 year. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value estimation

A. Details of the fair value of the Group's financial assets and financial liabilities not measured at fair value are provided in Note 12(2)A.

B. The table below analyses financial instruments measured at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

C. The following table presents the Group's financial assets and liabilities that are measured at fair value at September 30, 2015, December 31, 2014 and September 30, 2014:

September 30, 2015	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Forward exchange contracts	$ -	$ 38	$ -	$ 38
Beneficiary certificates	654,960	-	-	654,960
Available-for-sale financial assets				
Equity securities	30,421,715	375,800	-	30,797,515
	$ 31,076,675	$ 375,838	$ -	$ 31,452,513
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	$ -	$ 6,074	$ -	$ 6,074

December 31, 2014	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Forward exchange contracts	$ -	$ 2,394	$ -	$ 2,394
Beneficiary certificates	652,105	-		652,105
Available-for-sale financial assets				
Equity securities	27,634,564	397,300	-	28,031,864
	$ 28,286,669	$ 399,694	$ -	$ 28,686,363
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	$ -	$ 5,843	$ -	$ 5,843

September 30, 2014	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Forward exchange contracts	$ -	$ 2,402	$ -	$ 2,402
Beneficiary certificates	431,249	-	-	431,249
Available-for-sale financial assets				
Equity securities	29,089,148	351,500	-	29,440,648
	$ 29,520,397	$ 353,902	$ -	$ 29,874,299
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	$ -	$ 7,172	$ -	$ 7,172

D. The methods and assumptions the Group used to measure fair value are as follows:

(a)The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares	Open-end fund
Market quoted price	Closing price	Net asset value

(b)Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques such as current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including applying a model using market information available at the consolidated balance sheet date.

(c)The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.

(d) The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

E.For the nine-month periods ended September 30, 2015 and 2014, there was no transfer between Level 1 and Level 2.

F. For the nine-month periods ended September 30, 2015 and 2014, there was no transfer into or out from Level 3.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

In accordance with "Rules Governing the Preparation of Financial Statements by Securities Issuers", significant transactions for the nine-month period ended September 30, 2015 are stated as follows. Furthermore, the inter-company transactions were eliminated when preparing financial statements of investees which were audited by other independent accountants. The following disclosures are for reference only.

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: Please refer to table 1.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: Please refer to table 3.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 4.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 5.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2), 6(13) and 12(2).

J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

(2) <u>Information on investees</u>

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 7.

(3) <u>Information on investments in Mainland China</u>

A. Basic information: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 9.

14. SEGMENT INFORMATION

(1) General information

A. The Company and its subsidiaries operate and set policies from product and service perspective; thus, management also identifies reportable segments using the same method.

B. The Company and its subsidiaries have four reportable segments: First business group, Second business group consisting of Cord fabric department, Gasoline department and FORMOSA ADVANCED TECHNOLOGIES CO., LTD. (FATC) department. Details are as follows:

(a)First business group: Mainly produces and sells woven, dyeing and finishing products and manages plants of overseas subsidiaries – FORMOSA TAFFETA (ZHONG SHAN) CO., LTD., FORMOSA TAFFETA VIETNAM CO., LTD. and FORMOSA TAFFETA (HONG KONG) CO., LTD.

(b) Cord fabric department: Mainly produces and provides tire cords.

(c) Gasoline department: Mainly operates gasoline stations, sells gasoline and provides car washing.

(d) FATC department: The subsidiary - FORMOSA ADVANCED TECHNOLOGIES CO., LTD. mainly provides installation and testing of various integrated circuit and engages in processing and research and development of modules.

(2) Measurement of segment information

The measurement based on each operating segment’s profit before tax excludes the effects of non-recurring expenditure, i.e. from the unrealised gain or loss on financial instruments. Furthermore, interest income and expense are not allocated to operating segments.

(3) Information about segment profit or loss and assets

	Nine months ended September 30, 2015						
		Second business group					
	First business group	Cord fabric department	Gasoline department	Other segment	FATC department	Adjustment and write-off	Total
Segment revenue							
Revenue from external customers	$ 10,799,896	$ 5,853,453	$ 8,423,338	$ 1,314,172	$ 6,500,691	$ -	$ 32,891,550
Inter-segment revenue	1,104,172	98,165	-	112,877	-	(1,315,214)	-
Total segment revenue	$ 11,904,068	$ 5,951,618	$ 8,423,338	$ 1,427,049	$ 6,500,691	($ 1,315,214)	$ 32,891,550
Segment income	$ 2,069,309	$ 418,042	$ 135,109	$ 148,343	$ 988,942	($ 754,729)	$ 3,005,016
Total segment assets							
Identifiable assets	$ 13,601,991	$ 5,391,155	$ 1,365,872	$ 4,682,996	$ 6,035,629	($ 351,221)	$ 30,726,422
Long-term investments							3,115,541
General assets							45,572,985
Total assets							$ 79,414,948

	Nine months ended September 30, 2014						
		Second business group					
	First business group	Cord fabric department	Gasoline department	Other segment	FATC department	Adjustment and write-off	Total
Segment revenue							
Revenue from external customers	$ 11,192,362	$ 6,349,930	$ 11,108,378	$ 1,396,153	$ 6,782,774	$ -	$ 36,829,597
Inter-segment revenue	1,449,811	4,159	-	32,605	-	(1,486,575)	-
Total segment revenue	$ 12,642,173	$ 6,354,089	$ 11,108,378	$ 1,428,758	$ 6,782,774	($ 1,486,575)	$ 36,829,597
Segment income	$ 2,716,519	$ 198,407	$ 110,102	$ 119,962	$ 664,074	($ 495,873)	$ 3,313,191
Total segment assets	$ 13,757,198	$ 5,037,219	$ 1,829,069	$ 3,263,208	$ 7,307,037	($ 300,783)	$ 30,892,948
Identifiable assets							
Long-term investments							2,704,799
General assets							42,165,989
Total assets							$ 75,763,736

(4) Reconciliation for segment income (loss)

A. Sales between segments are carried out at arm’s length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

B. The total consolidated profit (loss) after adjustment and reconciliation information for profit after tax of reportable segments are provided in Note 14(3).