



2018 Annual General Shareholders' Meeting Meeting Handbook (Translation)

June 27, 2018

Stock Code 1789

Table of Contents

I. Procedure and gist of agenda.....	1
 II. Proposals	
1. Reports.....	2
2. Matters Proposed for ratification	2
3. Matters proposed for discussion and resolution.....	3
4. Election.....	5
5. Other Matters proposed for discussion and resolution.....	6
6. Extempore motions.....	6
7. Meeting adjourned.....	6
 III. Appendices	
1. Business Report.....	7
2. Audit Committee's Review Report.....	10
3. Auditors' Report and parent financial statements on 2017.....	11
4. Auditors' Report and consolidated financial statements on 2017.....	22
5. Proposed amendment of the "Rules of Procedure for Board of Directors Meetings".....	33
6. Information of Director Nominees.....	39
7. Titles and job details of director candidates (including independent directors) who will be..... exempting from non-compete competition prohibition.....	46
 IV. Exhibits	
1. Rules Governing Shareholders' Meetings.....	48
2. Rules Governing Election of Directors and Supervisors.....	56
3. Articles of Incorporation.....	60
4. The Impact of Stock dividend issuance on Business Performance, EPS, and Shareholder..... Return Rate.....	68
5. Required minimum and actual shareholding data by Directors	69

ScinoPharm Taiwan, Ltd. Shareholders' Meeting 2018

Procedure and gist of Agenda

I. Procedure

Time: 9:30a.m., Wednesday, June 27 2018

Place: ScinoPharm Taiwan, Ltd. Administration Building

Address: 1F, 1 Nan-Ke 8th Road, Southern Taiwan Science Park, Shan-Hua, Tainan, Taiwan

- 1. Announcement of meeting in session** (following the announcement of shares represented at the meeting)
- 2. Chairperson's address**
- 3. Reports**
 - (1) Business Report on 2017.
 - (2) Audit Committee's review opinions on 2017 Financial Results.
 - (3) Remuneration distribution report of 2017 for employees and directors.
 - (4) Proposed amendment of the "Rules of Procedure for Board of Directors Meetings".
- 4. Matters proposed for ratification**
 - (1) Business Report and Financial Statements for 2017.
 - (2) Proposed earnings distribution plan for fiscal year 2017.
- 5. Matters proposed for discussion and resolution**
 - (1) Proposed revision of the "Articles of Incorporation".
- 6. Election**
 - (1) The 9th Election of Board of Directors (including independent directors)
- 7. Other matters proposed for discussion and resolution**
 - (1) Proposed release of prohibition on Directors (including Independent Directors) and their representatives of the 9th election from participation in competitive business.
- 8. Extempore motions**
- 9. Meeting adjourned**

II. Proposals

1. Reports

(1) Business Report on 2017.

Explanation: Please see pages 7 of the Agenda for the Business Report (Appendix 1).

(2) Audit Committee's review opinions on 2017 Financial Results.

Explanation: The Audit Committee's review report is attached as Appendix 2 (at page 10).

(3) Remuneration distribution report of 2017 for employees and directors.

Explanation:

- a. The remuneration distribution for employees and directors on 2017 is calculated according to Article 40 of the Articles of Incorporation: "Should the Company earn surpluses within the current term, at least two percent of surpluses should be set aside for employee compensation, and no more than two percent of surpluses should be set aside for director compensation...".
 - b. According to the Articles of Incorporation, the employee compensation for 2017 was NTD48,877,615, making up 8.96% of the year's profits; director compensation was NTD7,607,845, making up 1.40% of the year's profits; all compensation was distributed in cash form. The aforementioned amounts differed from budgeted amounts by 0 for both employee compensation and director compensation.
- (4). Proposed amendment of the "Rules of Procedure for Board of Directors Meeting".
- a. The company has revised the "Rules Governing Meeting of the Board of Directors," in order to delineate clearly the authority of independent directors, intensify understanding of the company's affairs by independent directors, in line with the revised "Sample Template for XXX Co., Ltd. Rules of Procedure for Board of Directors Meetings," publicized by the Taiwan Stock Exchange (TaieX No. 10600183131, Sept. 27, 2017).
 - b. Please see the proposed revisions to the "Rules of Procedure for Board of Directors Meetings" juxtaposed with the current provision as show in Appendix 5 (at pages 33~38).

2. Matters Proposed for ratification

(1) Business Report and Financial Statements for 2017 (as adopted by the meeting of the Board of Directors)

Explanation:

- a. The 2017 Parent and consolidated financial statements of 2017 of the Company as adopted by the March 16, 2018 meeting of the Board of Directors and duly certified by Yung-Chih Lin, Certified Public Accountant and Tzu-Meng Liu, Certified Public Accountant from PricewaterhouseCoopers Taiwan were duly submitted in conjunction with the Business Report to the Audit Committee for inspection. This inspection was completed with the Auditors' Reports duly issued.
- b. Please see Appendix 1 (at pages 7) and Appendices 3~4 (at pages 11~32) for the Business Report, Auditors' Reports, parent and consolidated financial statements.
- c. It is proposed that resolution be adopted to ratify the above reports, books, records and financial statements.

Resolution:

- (2) Proposed earnings distribution plan for fiscal year 2017 (as adopted by the meeting of the Board of Directors)

Explanation:

- a. The Company's earnings distribution for fiscal year 2017 is proposed in accordance with the Company Act and its Articles of Incorporation, by the Board of Directors as follows:
- b. With accumulated distributable earnings reaching NT\$651,595,045 in 2017, the company plans to issue NT\$379,554,827 of cash dividend to shareholders, equivalent to NT\$0.48 per share.
- c. In the event that, before the distribution record date, the proposed profit distribution is affected by any change in equity, it is proposed that the Board of Directors be authorized to adjust the cash to be distributed to each share based on the number of actual shares outstanding on the record date for distribution. It is proposed that the Board of Directors be authorized to determine the necessary action.
- d. Subject to approval of the proposed earnings distribution plan by the Shareholders' Meeting, it is proposed that the Board of Directors be authorized to determine the ex-dividend date, dividend distribution date and other relevant matters.

ScinoPharm Taiwan, Ltd.

Earnings Distribution Plan for Fiscal Year Ended December 31, 2017

Item	Amount (TWD)
After-tax net profit earned in 2017	\$422,366,595
Less: Legal reserve	(42,236,660)
Plus: Actuarial gain(loss) presented in retained earnings	262,310
Distributable profit from this period	380,392,245
Plus: Accumulated undistributed earnings from previous period	271,202,800
Total distributable earnings as of this period	651,595,045
Dividends to shareholders (Cash dividend TWD 480 on each 1,000 shares held)	(379,554,827)
Undistributed earnings as of the end of the period	\$272,040,218

Notes:

1. In terms of earnings distribution for fiscal year 2017, priority is given to distributing the earnings posted in the given fiscal year while retained earnings from the previous fiscal year is drawn on to make up for any deficiency.
2. The actual amount of cash dividend paid to the shareholders shall be paid up to the rounded number with the fraction (if any) to be accounted as Other Income of the Company

Chairperson : Chih-Hsien Lo

CEO : Yung-Fa Chen

Chief Accountant : Carrie Lin

- e. It is proposed that resolution be adopted for the authorization proposed above.

Resolution:

3. Matters Proposed for discussion and resolution

- (1) Proposed revision of the Articles of Incorporation.

Explanation:

- a. As the regulator has institutionalized the tenure of independent directors, plus possible need for independent directors to relieve their duty in advance, due to different dates for Shareholders' Meeting every year, revise article 24 of the Articles of Incorporation, numerating the term of independent directors whose tenure will expire until new independent directors for the next term are appointed by next Shareholders' Meeting, in compliance with the legal requirement, the spirit of corporate governance, and the need of practical operation.
- b. Please see the proposed revisions to the Articles of Incorporation juxtaposed with the current provision as show below. For the entire original Articles of Incorporation ahead of revision, please see Exhibit 3 (at page60 ~ 67).

Current Provision	Revision Proposed	Remark
Article 24 The Directors each of the Company will serve an office term of three years and may be re-elected; but the independent director shall serve in office for a term of not more than <u>nine (9) years</u> . Subject to the relevant resolution adopted by the meeting of the Board of Directors, liabilities insurance will be procured for the Director elect. Subject to the public offering of the Company, the total shareholding of the Directors and the Supervisors of the Company as a whole shall be in accordance with the Company Act and the regulations prescribed by the competent securities authority. The Company has an Audit Committee formed by all of the independent directors under the Securities and Exchange Act. The establishment, functions, powers and authorities, rules for the meetings and other legal compliance matters of the Audit Committee shall be in accordance with the relevant regulations issued by the competent securities authority.	Article 24 The Directors each of the Company will serve an office term of three years and may be re-elected; but the independent director shall serve in office for a term of not more than <u>three terms</u> Subject to the relevant resolution adopted by the meeting of the Board of Directors, liabilities insurance will be procured for the Director elect. Subject to the public offering of the Company, the total shareholding of the Directors and the Supervisors of the Company as a whole shall be in accordance with the Company Act and the regulations prescribed by the competent securities authority. The Company has an Audit Committee formed by all of the independent directors under the Securities and Exchange Act. The establishment, functions, powers and authorities, rules for the meetings and other legal compliance matters of the Audit Committee shall be in accordance with the relevant regulations issued by the competent securities authority.	This revision is to consider that the term of independent directors would expire until independent directors of next term have been elected by Shareholders' Meeting, to avoid need for incumbent ones to relieve their duties in advance, a problem resulting from different dates for Shareholders' Meeting each year, so as to comply with the spirit and practical need of corporate governance.
Article 43 These Articles of Incorporation established on October 16, 1997, have been revised as follows:1st revision of March 17, 1998, 2nd revision of April 7, 1999, 3rd revision of July 21, 2000, 4th revision of December 3, 2001, 5th revision of June 13, 2002, 6threvision of March 13, 2003, 7th revision of June 30,	Article 43 These Articles of Incorporation established on October 16, 1997, have been revised as follows:1st revision of March 17, 1998, 2nd revision of April 7, 1999, 3rd revision of July 21, 2000, 4th revision of December 3, 2001, 5th revision of June 13, 2002, 6threvision of March 13, 2003, 7th revision of June 30,	Revision dates have been added.

Current Provision	Revision Proposed	Remark
2003, 8th revision of June 30, 2003, 9th revision of May 14, 2004, 10th revision of June 3, 2005, 11th revision of October 3 2005, 12th revision of February 15, 2006, 13th revision of June 7, 2006, 14th revision of June 18, 2009, 15th revision of September 25, 2009, 16th revision of April 29, 2010, 17th revision of December 9, 2010, 18th revision of June 13, 2012, 19th revision of June 21, 2013, 20th revision of June 18, 2014 and 21st revision of June 27, 2016.	2003, 8th revision of June 30, 2003, 9th revision of May 14, 2004, 10th revision of June 3, 2005, 11th revision of October 3 2005, 12th revision of February 15, 2006, 13th revision of June 7, 2006, 14th revision of June 18, 2009, 15th revision of September 25, 2009, 16th revision of April 29, 2010, 17th revision of December 9, 2010, 18th revision of June 13, 2012, 19th revision of June 21, 2013, 20th revision of June 18, 2014, 21st revision of June 27, 2016. and <u>22nd revision of June 27, 2018</u>	

d. It is proposed that resolution be adopted for the proposed revision.

Resolution:

4. Election

(1) The 9th Election of Board of Directors (including independent directors) (as adopted by the meeting of the Board of Directors).

Explanation:

- a. The office term of the 8th Election of Board of Directors is from June 23rd 2015 to on June 22nd 2018.
- b. It is proposed that fifteen Directors (including three Independent Directors) should be elected in accordance with the Articles of Incorporation of the Company. According to Article 195 of the Company Act, in the event that the office term of the 8th Election of Board of Directors (including Independent Directors) is completed prior to the 9th election, the Directors should continue to exercise their office duties until stepping down upon assumption of office by the new Board of Directors. The Directors newly elected shall forthwith assume the office upon being elected and serve an office term of three years from the election date, namely from June 27 2018 through June 26 2021.
- c. Article 23 of the Articles of Incorporation of the Company states that two or more of the above Directors shall be Independent Directors, and the total number of Independent Directors shall account for not less than one fifth (1/5) of the total number of directors. The Directors (including Independent Directors) shall be elected under the nomination system. Shareholders' Meeting shall elect from among the candidates nominated.
- d. According to article 24 of Articles of Incorporation and article 14-4 of Securities and Exchange Act, all independent directors comprise the auditing committee. Therefore, the third auditing committee comes into being and becomes operational following the election of new independent directors.
- e. Please see Appendix 6 (at pages 39~45) for the name list of the candidates nominated as adopted by the meeting of May 4, 2018 of the Board of Directors.
- f. Shareholders are requested to vote to elect the new Directors.

Result :

5. Other matters proposed for discussion and resolution

- (1) Proposed release of prohibition on Directors (including Independent Directors) and their representatives of the 9th election from participation in competitive business.

Explanation:

- a. According to Article 209 of the Company Act, the Director who intends to do any act or activity which is within the scope of the Company's business for himself/herself or for any other person shall present to the Shareholders' Meeting an explanation of the substantial content of the act or activity contemplated and obtain the approval of the Shareholders' Meeting for him/her to do the act or activity and the Shareholders' Meeting may adopt the resolution.
- b. In consideration that the members of the 9th Election of Board of Directors may do any act or activity and concurrently hold another office within the scope of the Company's business, it is proposed that resolution be adopted to release the newly elected 9th Election of Board of Directors from the non-compete restriction provided in Article 209 of the Company Act on the precondition that the above act or activity done by the director does not in any way prejudice the interests of the Company.
- c. Titles and job details of directors (including independent directors) who will be exempting from non-compete competition prohibition as show in Appendix 7(at pages 46 ~47).
- d. It is proposed that resolution be adopted for the authorization proposed above.

Resolution:

6. Extempore motions

7. Meeting adjourned

III. Appendices

Appendix 1

Business Report

Dear Shareholders:

In recent years, low prices have hit the generic drug market globally and the merging of companies has become a trend. In the United States, many mergers and acquisitions in the pharmaceutical retail channel have led to depressed prices from joint procurements. At the same time, oncology drugs are being seen as personalized medical treatment. Fewer small molecule blockbuster drugs are found in the market. Coupled with the strong appreciation of the Taiwan dollar over the last year, these phenomena have impacted the annual profit and revenue of export-oriented ScinoPharm. Despite the intensifying external environmental challenges, with the concerted diligence of its employees, ScinoPharm has employed continuous effort in optimizing processes, controlling costs and increasing management efficiency. At the same time, it has also been accelerating the expansion of product lines, making good use of active pharmaceutical ingredient into the development of formulated products, and proactively making headway into the field of specialty generic drug development.

In 2017, the company's consolidated annual revenue was NT\$3.516 billion. The after-tax net profit was NT\$422 million, and the after-tax earnings per share was NT\$0.53. As of the end of last year, the company's paid-up capital was NT\$7.907 billion, and the shareholder's equity was NT\$10.4 billion, which accounted for approximately 82% of its total assets of NT\$12.7 billion. Its long-term capital was 2.28 times that of its fixed assets, with a current ratio of 5.8. Hence, the company has a sound financial structure.

Continuously building a long-term competitive advantage for ScinoPharm

From the overall performance of the previous year, shipments of Paclitaxel which is used for ovarian cancer and breast cancer, declined because of an inventory reduction by clients. Shipments of other major generic drugs were delayed due to the replacement and integration of product lines and factories by clients after mergers, and this has also affected revenue. However, the production of new drug agents has increased significantly mainly owing to a client's new antibiotic drug, Baxdela™, being approved for sale by the U.S. FDA at the end of last year. It was also designated as an approved drug for infectious diseases and was entitled to exclusive rights, with promising outlook. The commissioned production of another new drug, antibiotic Vibativ®, also contributed significantly to revenue thanks to the periodic stock demand of our client. In addition, the increase in shipment of APIs and intermediates for other four CRO projects that are in Phase III clinical trials has offset part of the effect of the decline in demand for APIs for generic drugs.

In terms of partnerships on formulation business, the five cooperative projects on generic oncology injections with the major international manufacturer, Baxter International Inc., in the previous year has accelerated ScinoPharm's foray into the field of generic drug products, and a long-term risk-spreading, profit-sharing partnership has also been established. A sales authorization agreement was also signed with an international Indian drug manufacturer for another self-developed anticoagulant, Fondaparinux. The royalties for the two cooperative

projects increased significantly in last year, and this shows the emerging results of the company's strategy of vertical integration of formulation business.

Strengthening the foundation of established businesses, accelerating towards completion of the strategic plan

Last year, we completed six API projects for generic drugs. By the end of 2017, we obtained a total of 767 Drug Master Files (DMFs) worldwide. Among them, 56 DMFs belonged to the United States, and more than 33 of which were oncology products. Our company's patent achievements were also fruitful. We have a total of 59 inventions that obtained 397 patents around the world, and another 104 inventions with patent applications pending for review.

Through the dual-business model of having self-developing generic products and API contract development and manufacturing services for new drug companies, we strive to strengthen the synergy in the arrangement of selecting products with higher entry barrier and matching with market demand and the capacity of our internal injectable plant. The injectable product line has accumulated more than a dozen items, most of which have the advantages of holding high-threshold APIs or complex formulations. Our injectable plant was designed and built to comply with the stringent global GMP requirements. Two separate aseptic filling lines are installed respectively for the manufacturing of cytotoxic injectables in liquid/lyo vial format and high potency liquid products in cartridge or prefilled syringe format.

Prudent in facing the rapidly changing Chinese market

The drug administrative standards in China have been rapidly undergoing reform, and this has brought it to the level of international market in recent years. As a result, the overall environment places greater emphasis on the handling of quality control and environmental safety issues. ScinoPharm's Changshu plant in Jiangsu Province has been continuously tightening its regulations in line with the environmental, health and safety regulations of China. The changes in the latest GMP regulations have resulted in an increase in infrastructure investments. Under the pressure of escalating environmental protection costs and operating risks, the costs have risen as well. All these have led to operations that are slower than expected. To counter such a situation, the company is actively controlling expenditures and is committed to developing short-term projects that can improve its capacity utilization rate. In addition, the company has also selected specific products to cooperate with international partners, making use of the dual filing application between the United States and China. This enables the company to quickly enter the generic drug market in China. At the same time, after the full implementation of the Marketing Authorization Holder (MAH) of pharmaceutical products last year, the company is keeping an eye out for business opportunities with regard to contract development and manufacturing services, so as to push forward the pace of operations of the plant in Changshu.

Adhering to the high standards of quality management, upholding operational integrity in the spirit of enterprise

ScinoPharm has been in the pharmaceutical industry for many years and is globally recognized. The company has strictly abided by international cGMP standards. It has completed on-site Inspections from the regulatory authorities of numerous countries, including Taiwan, Europe, USA and Japan. Last year, our company successfully passed the GMP review by the U.S. Food and Drug Administration (US FDA) with excellent results. At the same time, we also passed the inspections

by the Mexican health authority (COFEPRIS) for the fourth time. These are key indicators of ScinoPharm's quality assurance.

Our company has never forgotten its corporate social responsibility, and we are committed to the improvement of corporate governance. Last year, ScinoPharm received the "Global CSR Award", which affirmed our company's performance in corporate commitment, social participation, environmental protection and corporate governance. In the same year, our company was awarded as an "Excellent Exporter/Importer" by the Bureau of Foreign Trade for the fourth time. We also participated in the Corporate Governance Evaluation held by the Taiwan Stock Exchange and was ranked as a "Top-Rated Company", which demonstrated its commitment and hard work towards corporate governance. At the end of last year, ScinoPharm again achieved second in the category of "Best Investor Relations Service in the Greater China Region" of the biotechnology industry awarded by the IR Magazine, a global investor relations magazine for professionals. All the award-winning achievements are the best affirmations for ScinoPharm's efforts in striving for excellence and relentless innovation.

Continuing in the pursuit of pragmatic corporate core values, creating a sustainable future for the company

Since the establishment of ScinoPharm for the past 20 years, the company has been proactively innovating to provide high-quality products as its comparative advantage in the face of international competition. Looking into the future, ScinoPharm is forging ahead in improving the overall profitability of APIs, as well as establishing product lines of highly complex formulations. At the same time, the company is striving for production optimization of its products through efficient management and the passing on of deep experiences accumulated over the long term. The company will also leverage on its strategic alliances to develop collaborating relationships for its formulation business and create synergistic benefits. With regard to contract development and manufacturing services, we have been working on several plans for a long time, and the applications for NDAs are expected to be submitted in succession by our customers. If these products are successfully launched on the market, there will be a high potential for growth into the future.

Lastly, ScinoPharm would like to thank all our customers, shareholders and employees for their long-term and continual support. We would like to extend our most sincere gratitude to everyone. ScinoPharm will always uphold its corporate spirit of responsibility and diligence, as it strives for innovations and breakthroughs. The company will actively work hard to optimize the product mix, strengthen its risk management and enhance its internal operational efficiency. In this highly competitive market, it will also keep to the global trends of the pharmaceutical industry and seize business opportunities, as it looks toward to continuously improving on its operational efficiency and profitability. In addition, ScinoPharm will also faithfully fulfill its corporate social responsibility to not only give back to society in its recognition of our company, and to show our appreciation to our shareholders for their support, but to also maintain a positive influence on society.

Chih-Hsien Lo, Chairman

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2017 Business Report, parent and consolidated Financial Statements, and proposal for allocation of profits. The CPA firm of PricewaterhouseCoopers Taiwan was retained to audit the Company's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and profit allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of ScinoPharm Taiwan, Ltd. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

ScinoPharm Taiwan, Ltd.

Chairman of the Audit Committee: Wei-Te Ho

March 16, 2018

Appendix 3

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of ScinoPharm Taiwan, Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of ScinoPharm Taiwan, Ltd. as at December 31, 2017 and 2016, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of ScinoPharm Taiwan, Ltd. as at December 31, 2017 and 2016, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

Basis for opinion

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company’s parent company only financial statements of 2017. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

The key audit matters for the parent company only financial statements of the current period are stated as follows:

Cutoff of export revenue

Description

Please refer to Note 4(26) to the parent company only financial statements for accounting policy on revenue recognition.

The Company's sales revenue mainly arise from manufacture and sale of Active Pharmaceutical Ingredient ("API"), which primarily consists of export sales. The Company recognises export sales revenue based on the terms and conditions of transactions which vary with different customers. As revenue recognition involves manual processes, and is material to the financial statements, we consider the cutoff of export revenue a key audit matter.

How our audits addressed the matter

We performed the following key audit procedures in respect of the above key audit matter:

1. Understood and assessed the effectiveness of internal controls over cutoff of sales revenue, and tested the effectiveness of internal controls over shipping and billing.
2. Checked the completeness of the export sales details for a certain period around balance sheet date, and performed cutoff tests on a random basis, which include checking the terms and conditions of transactions, verifying against supporting documents, and checking whether inventory movements and costs of sales were recognised in the appropriate period.

Inventory valuation

Description

Please refer to Note 4(10) for accounting policies on inventory valuation, Note 5(2) for the uncertainty of accounting estimates and assumptions applied in inventory valuation, and Note 6(3) for details of inventories. As of December 31, 2017, the balances of inventory and allowance for inventory valuation losses were \$1,932,445 thousand and \$431,864 thousand, respectively.

The Company is primarily engaged in the manufacture and sales of API. As the manufacturing process is relatively complicated and time consuming, materials require longer lead time, the waiting period for product registration is long, and the timing of the product launch may be deferred, there is higher risk of incurring loss on inventory valuation. For inventories sold under normal terms, the Company measures inventories at the lower of cost and net realisable value. For inventories aging over a certain period of time and are individually identified as obsolete inventories, the net realisable value is calculated based on the historical information of inventory turn-over. Since the calculation of net realisable value involves subjective judgement and the ending balance of inventory is material to the financial statements, we consider the valuation of inventory a key audit matter.

How our audits addressed the matter

We performed the following key audit procedures in respect of the above key audit matter:

1. Evaluated the reasonableness of provision policies and procedures on allowance for inventory valuation losses, including the historical data of inventory turn-over and judgement of obsolete inventory.
2. Verified whether the date used in the inventory aging reports that the Company applied to value inventories were accurate. Recalculated and evaluated the reasonableness of allowance for inventory valuation losses in order to confirm that the reported information was in line with the Company's policies.
3. Selected samples from inventory items by each sequence number to verify its realisable value and to evaluate the reasonableness of allowance for inventory valuation loss.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ROC GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Accountants
Lin, Yung-Chih
Liu, Tzu-Meng

PricewaterhouseCoopers, Taiwan
Republic of China
March 16, 2018

The accompanying parent company only 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 parent company only 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.

SCINOPHARM TAIWAN, LTD.
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Assets			December 31, 2017		December 31, 2016	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 3,675,824	33	\$ 3,261,712	30
1170	Accounts receivable, net	6(2)	567,122	5	587,329	5
1200	Other receivables		12,441	-	12,018	-
1210	Other receivables - related parties	7	2,597	-	6,780	-
130X	Inventory	5(2) and 6(3)	1,500,581	14	1,652,432	15
1410	Prepayments		99,444	1	198,023	2
11XX	Total current assets		5,858,009	53	5,718,294	52
Non-current assets						
1543	Financial assets carried at cost - non-current	3(2) and 6(4)	391,097	4	364,089	3
1550	Investments accounted for under equity method	6(5)	664,118	6	816,854	8
1600	Property, plant and equipment	6(6)(7)(24)	3,609,589	33	3,722,375	34
1780	Intangible assets		10,752	-	12,633	-
1840	Deferred income tax assets	5(2) and 6(22)	355,376	3	277,852	3
1915	Prepayments for equipment	6(6)(24)	65,812	1	20,401	-
1920	Guarantee deposits paid		1,229	-	945	-
1980	Other financial assets - non-current	8	28,831	-	28,831	-
15XX	Total non-current assets		5,126,804	47	5,243,980	48
1XXX	Total assets		\$ 10,984,813	100	\$ 10,962,274	100

(Continued)

SCINOPHARM TAIWAN, LTD.
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2017		December 31, 2016			
			AMOUNT	%	AMOUNT	%		
Current liabilities								
2120	Financial liabilities at fair value	6(8)						
	through profit or loss - current		\$	-	\$	2,822	-	
2150	Notes payable			1,161		1,001	-	
2170	Accounts payable			73,943		56,926	1	
2180	Accounts payable - related parties	7		53,928		33,100	-	
2200	Other payables	6(9)(24)		294,007		374,790	3	
2230	Current income tax liabilities	6(22)		50,251		110,910	1	
2310	Advance receipts			23,366		62,384	1	
21XX	Total current liabilities			496,656		641,933	6	
Non-current liabilities								
2570	Deferred income tax liabilities	6(22)		-		877	-	
2640	Net defined benefit liabilities	6(10)		69,312		70,053	1	
2645	Guarantee deposits received			1,620		21,618	-	
25XX	Total non-current liabilities			70,932		92,548	1	
2XXX	Total liabilities			567,588		734,481	7	
Equity								
Share capital								
3110	Share capital - common stock	6(11)(14)		7,907,392		7,603,262	69	
3200	Capital surplus	6(12)(13)		1,286,872		1,275,660	12	
	Retained earnings	6(11)(14)(22)						
3310	Legal reserve			526,065		460,196	4	
3320	Special reserve			22,829		22,829	-	
3350	Unappropriated earnings			693,832		869,300	8	
3400	Other equity interest	6(15)	(19,765)	-	(3,454)	-
3XXX	Total equity			10,417,225		10,227,793	93	
Significant contingent liabilities and unrecognized contract commitments								
Significant events after the balance sheet date								
3X2X	Total liabilities and equity		\$	10,984,813	100	\$	10,962,274	100

The accompanying notes are an integral part of these parent company only financial statements.

SCINOPHARM TAIWAN, LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

				Year ended December 31			
		Notes	2017		2016		
Items			AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(16)	\$ 3,449,175	100	\$ 3,888,611	100	
5000	Operating costs	6(3)(10)(20)(21), 7 and 9	(1,777,982)	(52)	(2,040,535)	(53)	
5900	Net operating margin		<u>1,671,193</u>	<u>48</u>	<u>1,848,076</u>	<u>47</u>	
	Operating expenses	6(2)(10)(20)(21), 7 and 9					
6100	Selling expenses		(146,006)	(4)	(177,964)	(5)	
6200	General and administrative expenses		(459,538)	(13)	(400,236)	(10)	
6300	Research and development expenses		(264,331)	(8)	(203,680)	(5)	
6000	Total operating expenses		<u>(869,875)</u>	<u>(25)</u>	<u>(781,880)</u>	<u>(20)</u>	
6900	Operating profit		<u>801,318</u>	<u>23</u>	<u>1,066,196</u>	<u>27</u>	
	Non-operating income and expenses						
7010	Other income	6(2)(17) and 7	42,981	1	40,029	1	
7020	Other gains and losses	6(6)(7)(8)(18) and 12	(39,020)	(1)	(27,704)	(1)	
7050	Finance costs	6(19)	(22)	-	(11)	-	
7070	Share of loss of associates and joint ventures accounted for using equity method.	6(5)	(316,481)	(9)	(256,704)	(6)	
7000	Total non-operating income and expenses		<u>(312,542)</u>	<u>(9)</u>	<u>(244,390)</u>	<u>(6)</u>	
7900	Profit before income tax		<u>488,776</u>	<u>14</u>	<u>821,806</u>	<u>21</u>	
7950	Income tax expense	6(22)	(66,409)	(2)	(163,113)	(4)	
8200	Profit for the year		<u>\$ 422,367</u>	<u>12</u>	<u>\$ 658,693</u>	<u>17</u>	
	Other comprehensive income (loss)						
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss						
8311	Actuarial gains (losses) on defined benefit plans	6(10)	\$ 316	-	(\$ 7,393)	-	
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(22)	(54)	-	1,258	-	
	Components of other comprehensive income that will be reclassified to profit or loss						
8361	Financial statements translation differences of foreign operation	6(15)	(16,311)	-	(72,549)	(2)	
8300	Other comprehensive loss for the year		<u>(\$ 16,049)</u>	<u>-</u>	<u>(\$ 78,684)</u>	<u>(2)</u>	
8500	Total comprehensive income for the year		<u>\$ 406,318</u>	<u>12</u>	<u>\$ 580,009</u>	<u>15</u>	
	Earnings per share (in dollars)	6(23)					
9750	Basic		<u>\$ 0.53</u>		<u>\$ 0.83</u>		
9850	Diluted		<u>\$ 0.53</u>		<u>\$ 0.83</u>		

The accompanying notes are an integral part of these parent company only financial statements.

SCINOPHARM TAIWAN, LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

				Retained earnings			Other equity	
	Notes	Share capital - common stock	Capital reserves	Legal reserve	Special reserve	Unappropriated earnings	Currency translation differences	Total equity
<u>For the year ended December 31, 2016</u>								
Balance at January 1, 2016		\$ 7,310,829	\$ 1,265,544	\$ 396,699	\$ 22,829	\$ 791,997	\$ 69,095	\$ 9,856,993
Distribution of 2015 net income (Note):								
Legal reserve		-	-	63,497	-	(63,497)	-	-
Cash dividends	6(14)	-	-	-	-	(219,325)	-	(219,325)
Stock dividends	6(11)(14)	292,433	-	-	-	(292,433)	-	-
Employee stock option compensation cost	6(12)(13)	-	10,116	-	-	-	-	10,116
Net income for the year ended December 31, 2016		-	-	-	-	658,693	-	658,693
Other comprehensive loss for the year ended December 31, 2016	6(15)	-	-	-	-	(6,135)	(72,549)	(78,684)
Balance at December 31, 2016		<u>\$ 7,603,262</u>	<u>\$ 1,275,660</u>	<u>\$ 460,196</u>	<u>\$ 22,829</u>	<u>\$ 869,300</u>	<u>(\$ 3,454)</u>	<u>\$ 10,227,793</u>
<u>For the year ended December 31, 2017</u>								
Balance at January 1, 2017		\$ 7,603,262	\$ 1,275,660	\$ 460,196	\$ 22,829	\$ 869,300	(\$ 3,454)	\$ 10,227,793
Distribution of 2016 net income (Note):								
Legal reserve		-	-	65,869	-	(65,869)	-	-
Cash dividends	6(14)	-	-	-	-	(228,098)	-	(228,098)
Stock dividends	6(11)(14)	304,130	-	-	-	(304,130)	-	-
Employee stock option compensation cost	6(12)(13)	-	11,212	-	-	-	-	11,212
Net income for the year ended December 31, 2017		-	-	-	-	422,367	-	422,367
Other comprehensive income for the year ended December 31, 2017	6(15)	-	-	-	-	262	(16,311)	(16,049)
Balance at December 31, 2017		<u>\$ 7,907,392</u>	<u>\$ 1,286,872</u>	<u>\$ 526,065</u>	<u>\$ 22,829</u>	<u>\$ 693,832</u>	<u>(\$ 19,765)</u>	<u>\$ 10,417,225</u>

(Note) The employees' compensation were \$77,011 and \$82,181, and directors' remuneration were \$11,543 and \$11,734 in 2015 and 2016, respectively, which has been deducted from net income for the years.

The accompanying notes are an integral part of these parent company only financial statements.

SCINOPHARM TAIWAN, LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31	
		2017	2016
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 488,776	\$ 821,806
Adjustments			
Adjustments to reconcile profit (loss)			
(Gain) loss on valuation of financial assets and liabilities		(2,822)	2,677
(Reversal of allowance) provision for doubtful accounts	6(2)(17)	(488)	564
Loss on inventory market price decline	6(3)	24,970	58,489
Provision for obsolescence of supplies		9,677	9,648
Share of loss of subsidiaries, associates and joint ventures accounted for under equity method	6(5)	316,481	256,704
Depreciation	6(6)(20)	329,007	351,428
Loss on disposal of property, plant and equipment	6(18)	62	744
(Gain on reversal) impairment loss	6(6)(7)(18)	(3,741)	889
Amortization	6(20)	5,038	5,200
Employee stock option compensation cost	6(12)(13)	11,036	10,025
Interest income	6(17)	(18,612)	(13,371)
Interest expense	6(19)	22	11
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		20,695	252,586
Other receivables		(423)	4,217
Other receivables - related parties		4,183	(1,512)
Inventory		126,881	231,260
Prepayments		88,902	(64,640)
Changes in operating liabilities			
Notes payable		160	6
Accounts payable		17,017	24,287
Accounts payable - related parties		20,828	33,100
Other payables		(43,467)	35,067
Advance receipts		(39,018)	31,188
Net defined benefit liabilities - non-current		(425)	(194)
Cash inflow generated from operations		1,354,739	2,050,179
Interest received		18,612	13,371
Interest paid		(22)	(11)
Income tax paid		(205,523)	(193,277)
Net cash flows from operating activities		<u>1,167,806</u>	<u>1,870,262</u>

(Continued)

SCINOPHARM TAIWAN, LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

			<u>For the years ended December 31</u>	
	<u>Notes</u>		<u>2017</u>	<u>2016</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Increase in financial assets measured at cost - non-current		(\$	27,008)	(\$ 25,182)
Cash paid for acquisition of investments accounted for				
under the equity method - subsidiary		(	179,880)	-
Proceeds from disposal of property, plant and equipment	6(24)	(	217,006)	(315,517)
Cash paid for acquisition of property, plant and equipment			50	484
Acquisition of intangible assets		(	3,157)	(5,177)
Increase in prepayment for equipment		(	78,313)	(19,421)
(Increase) decrease in guarantee deposits paid		(	284)	168
Increase in other financial assets - non-current			-	(4,097)
Net cash flows used in investing activities		(	505,598)	(368,742)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
Decrease in guarantee deposits received		(	19,998)	(1,779)
Payment of cash dividends	6(14)	(	228,098)	(219,325)
Net cash flows used in financing activities		(	248,096)	(221,104)
Net increase in cash and cash equivalents			414,112	1,280,416
Cash and cash equivalents at beginning of year	6(1)		3,261,712	1,981,296
Cash and cash equivalents at end of year	6(1)	\$	3,675,824	\$ 3,261,712

The accompanying notes are an integral part of these parent company only financial statements.

Appendix 4

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of ScinoPharm Taiwan, Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of ScinoPharm Taiwan, Ltd. and subsidiaries (the “Group”) as at December 31, 2017 and 2016, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2017 and 2016, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group’s consolidated financial statements of 2017. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

The key audit matters for the Group’s consolidated financial statements of the current period are stated as follows:

Cutoff of export revenue

Description

Please refer to Note 4(26) to the consolidated financial statements for accounting policy on revenue recognition.

The Group’s sales revenue mainly arise from manufacture and sale of Active Pharmaceutical Ingredient (“API”), which primarily consists of export sales. The Group recognises export sales revenue based on the terms and conditions of transactions which vary with different customers. As revenue recognition involves manual processes, and is material to the financial statements, we consider the cutoff of export revenue a key audit matter.

How our audits addressed the matter

We performed the following key audit procedures in respect of the above key audit matter:

1. Understood and assessed the effectiveness of internal controls over cutoff of sales revenue, and tested the effectiveness of internal controls over shipping and billing.
2. Checked the completeness of the export sales details for a certain period around balance sheet date, and performed cutoff tests on a random basis, which include checking the terms and conditions of transactions, verifying against supporting documents, and checking whether inventory movements and costs of sales were recognised in the appropriate period.

Inventory valuation

Description

Please refer to Note 4(11) for accounting policies on inventory valuation, Note 5(2) for the uncertainty of accounting estimates and assumptions applied in inventory valuation, and Note 6(3) for details of inventories. As of December 31, 2017, the balances of inventory and allowance for inventory valuation losses were \$2,229,437 thousand and \$554,349 thousand, respectively.

The Group is primarily engaged in the manufacture and sales of API. As the manufacturing process is relatively complicated and time consuming, materials require longer lead time, the waiting period for product registration is long, and the timing of the product launch may be deferred, there is higher risk of incurring loss on inventory valuation. For inventories sold under normal terms, the Group measures inventories at the lower of cost and net realisable value. For inventories aging over a certain period of time and are individually identified as obsolete inventories, the net realisable value is calculated based on the historical information of inventory turn-over. Since the calculation of net realisable value involves subjective judgement and the ending balance of inventory is material to the financial statements, we consider the valuation of inventory a key audit matter.

How our audits addressed the matter

We performed the following key audit procedures in respect of the above key audit matter:

1. Evaluated the reasonableness of provision policies and procedures on allowance for inventory valuation losses, including the historical data of inventory turn-over and judgement of obsolete inventory.
2. Verified whether the date used in the inventory aging reports that the Group applied to value inventories were accurate. Recalculated and evaluated the reasonableness of allowance for inventory valuation losses in order to confirm that the reported information was in line with the Group's policies.
3. Selected samples from inventory items by each sequence number to verify its realisable value and to evaluate the reasonableness of allowance for inventory valuation loss.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of ScinoPharm Taiwan, Ltd. as at and for the years ended December 31, 2017 and 2016.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ROC GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Accountants
Lin, Yung-Chih
Liu, Tzu-Meng

PricewaterhouseCoopers, Taiwan
Republic of China
March 16, 2018

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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.

SCINOPHARM TAIWAN, LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Assets			December 31, 2017		December 31, 2016	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 3,910,791	31	\$ 3,707,151	29
1170	Accounts receivable, net	6(2)	567,318	4	638,405	5
1200	Other receivables		197,620	2	197,897	2
130X	Inventory	5(2) and 6(3)	1,675,088	13	1,829,710	14
1410	Prepayments		116,310	1	212,212	2
11XX	Total current assets		6,467,127	51	6,585,375	52
Non-current assets						
1543	Financial assets carried at cost-non-current	3(2) and 6(4)	391,097	3	364,089	3
1600	Property, plant and equipment	6(5)(7)(26)	5,088,713	40	5,208,898	41
1780	Intangible assets		23,334	-	24,078	-
1840	Deferred income tax assets	5(2) and 6(24)	503,570	4	414,414	3
1915	Prepayments for equipment	6(5)(26)	110,529	1	65,466	-
1920	Guarantee deposits paid		9,179	-	9,739	-
1980	Other financial assets - non-current	8	28,831	-	28,831	-
1985	Long-term prepaid rents	6(6)	79,009	1	82,110	1
15XX	Total non-current assets		6,234,262	49	6,197,625	48
1XXX	Total assets		\$ 12,701,389	100	\$ 12,783,000	100

(Continued)

SCINOPHARM TAIWAN, LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2017		December 31, 2016	
Notes			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(8)	\$ 374,713	3	\$ 982,705	8
2120	Financial liabilities at fair value through profit or loss - current	6(9)	-	-	2,822	-
2150	Notes payable		1,161	-	1,001	-
2170	Accounts payable		90,784	1	69,730	1
2200	Other payables	6(10)(26)	350,117	3	430,020	3
2230	Current income tax liabilities	6(24)	50,251	-	110,911	1
2310	Advance receipts		28,896	-	62,384	-
2320	Long-term liabilities, current portion	6(11) and 9	219,536	2	32,120	-
21XX	Total current liabilities		1,115,458	9	1,691,693	13
Non-current liabilities						
2540	Long-term borrowings	6(11) and 9	1,097,682	9	770,873	6
2570	Deferred income tax liabilities	6(24)	-	-	877	-
2640	Net defined benefit liabilities	6(12)	69,312	-	70,053	1
2645	Guarantee deposits received		1,712	-	21,711	-
25XX	Total non-current liabilities		1,168,706	9	863,514	7
2XXX	Total liabilities		2,284,164	18	2,555,207	20
Equity attributable to owners of parent						
Share capital		6(13)(16)				
3110	Share capital - common stock		7,907,392	62	7,603,262	59
3200	Capital surplus	6(14)(15)	1,286,872	10	1,275,660	10
Retained earnings		6(13)(16)(24)				
3310	Legal reserve		526,065	4	460,196	4
3320	Special reserve		22,829	-	22,829	-
3350	Unappropriated earnings		693,832	6	869,300	7
3400	Other equity interest	6(17)	(19,765)	-	(3,454)	-
3XXX	Total equity		10,417,225	82	10,227,793	80
Significant contingent liabilities and unrecognized contract commitments		9				
Significant events after balance sheet date		11				
3X2X	Total liabilities and equity		\$ 12,701,389	100	\$ 12,783,000	100

The accompanying notes are an integral part of these consolidated financial statements.

SCINOPHARM TAIWAN, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Year ended December 31			
		2017		2016	
Items	Notes	AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(18)	\$ 3,516,481	100	\$ 4,030,921	100
5000 Operating costs	6(3)(12)(22)(23) and 9	(1,966,324)	(56)	(2,224,960)	(55)
5900 Net operating margin		<u>1,550,157</u>	<u>44</u>	<u>1,805,961</u>	<u>45</u>
Operating expenses	6(6)(12)(22)(23), 7 and 9				
6100 Selling expenses		(145,756)	(4)	(169,971)	(4)
6200 General and administrative expenses		(531,163)	(15)	(488,139)	(12)
6300 Research and development expenses		(314,276)	(9)	(279,575)	(7)
6000 Total operating expenses		<u>(991,195)</u>	<u>(28)</u>	<u>(937,685)</u>	<u>(23)</u>
6900 Operating profit		<u>558,962</u>	<u>16</u>	<u>868,276</u>	<u>22</u>
Non-operating income and expenses					
7010 Other income	6(2)(19)	39,522	1	40,705	1
7020 Other gains and losses	6(7)(9)(20) and 12	(46,551)	(1)	(62,265)	(1)
7050 Finance costs	6(5)(21)(26)	(76,631)	(2)	(36,116)	(1)
7000 Total non-operating income and expenses		<u>(83,660)</u>	<u>(2)</u>	<u>(57,676)</u>	<u>(1)</u>
7900 Profit before income tax		<u>475,302</u>	<u>14</u>	<u>810,600</u>	<u>21</u>
7950 Income tax expense	6(24)	(52,935)	(2)	(151,907)	(4)
8200 Profit for the year		<u>\$ 422,367</u>	<u>12</u>	<u>\$ 658,693</u>	<u>17</u>
Other comprehensive income (loss)					
8311 Actuarial gains (losses) on defined benefit plans	6(12)	\$ 316	-	(\$ 7,393)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(24)	(54)	-	1,258	-
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations	6(17)	(16,311)	-	(72,549)	(2)
8300 Total other comprehensive loss for the year		<u>(\$ 16,049)</u>	<u>-</u>	<u>(\$ 78,684)</u>	<u>(2)</u>
8500 Total comprehensive income for the year		<u>\$ 406,318</u>	<u>12</u>	<u>\$ 580,009</u>	<u>15</u>
Profit attributable to:					
8610 Owners of the parent		<u>\$ 422,367</u>	<u>12</u>	<u>\$ 658,693</u>	<u>17</u>
Comprehensive income attributable to:					
8710 Owners of the parent		<u>\$ 406,318</u>	<u>12</u>	<u>\$ 580,009</u>	<u>15</u>
Earnings per share (in dollars)	6(25)				
9750 Basic		<u>\$</u>	<u>0.53</u>	<u>\$</u>	<u>0.83</u>
9850 Diluted		<u>\$</u>	<u>0.53</u>	<u>\$</u>	<u>0.83</u>

The accompanying notes are an integral part of these consolidated financial statements.

SCINOPHARM TAIWAN, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent						
				Retained earnings			Other equity	
							Currency translation differences	
	Notes	Share capital - common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings		Total equity
For the year ended December 31, 2016								
Balance at January 1, 2016		\$ 7,310,829	\$ 1,265,544	\$ 396,699	\$ 22,829	\$ 791,997	\$ 69,095	\$ 9,856,993
Distribution of 2015 net income:								
Legal reserve		-	-	63,497	-	(63,497)	-	-
Cash dividends	6(16)	-	-	-	-	(219,325)	-	(219,325)
Stock dividends	6(13)(16)	292,433	-	-	-	(292,433)	-	-
Employee stock option compensation cost	6(14)(15)	-	10,116	-	-	-	-	10,116
Net income for the year ended December 31, 2016		-	-	-	-	658,693	-	658,693
Other comprehensive loss for the year ended December 31, 2016	6(17)	-	-	-	-	(6,135)	(72,549)	(78,684)
Balance at December 31, 2016		<u>\$ 7,603,262</u>	<u>\$ 1,275,660</u>	<u>\$ 460,196</u>	<u>\$ 22,829</u>	<u>\$ 869,300</u>	<u>(\$ 3,454)</u>	<u>\$ 10,227,793</u>
For the year ended December 31, 2017								
Balance at January 1, 2017		\$ 7,603,262	\$ 1,275,660	\$ 460,196	\$ 22,829	\$ 869,300	(\$ 3,454)	\$ 10,227,793
Distribution of 2016 net income:								
Legal reserve		-	-	65,869	-	(65,869)	-	-
Cash dividends	6(16)	-	-	-	-	(228,098)	-	(228,098)
Stock dividends	6(13)(16)	304,130	-	-	-	(304,130)	-	-
Employee stock option compensation cost	6(14)(15)	-	11,212	-	-	-	-	11,212
Net income for the year ended December 31, 2017		-	-	-	-	422,367	-	422,367
Other comprehensive loss for the year ended December 31, 2017	6(17)	-	-	-	-	262	(16,311)	(16,049)
Balance at December 31, 2017		<u>\$ 7,907,392</u>	<u>\$ 1,286,872</u>	<u>\$ 526,065</u>	<u>\$ 22,829</u>	<u>\$ 693,832</u>	<u>(\$ 19,765)</u>	<u>\$ 10,417,225</u>

The accompanying notes are an integral part of these consolidated financial statements.

SCINOPHARM TAIWAN, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2017	2016
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 475,302	\$ 810,600
Adjustments			
Adjustments to reconcile profit (loss)			
(Gain) loss on valuation of financial assets and liabilities		(2,822)	2,677
(Reversal of allowance) provision for doubtful accounts	6(2)(19)	(516)	596
Loss on inventory market price decline	6(3)	53,212	110,571
Provision for obsolescence of supplies		11,088	11,167
Depreciation	6(5)(22)	423,322	435,391
Loss on disposal of property, plant and equipment	6(20)	300	626
(Gain on reversal) impairment loss	6(5)(7)(20)	(3,741)	889
Amortization	6(22)	9,217	9,450
Amortization of long-term prepaid rent	6(6)	1,835	1,977
Employee stock option compensation cost	6(14)(15)	11,212	10,116
Interest income	6(19)	(25,083)	(27,844)
Interest expense	6(21)	76,631	36,116
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		71,604	228,232
Other receivables		422	10,058
Inventory		101,410	234,501
Prepayments		83,456	(54,776)
Changes in operating liabilities			
Notes payable		160	6
Accounts payable		21,054	(21,330)
Other payables		(34,800)	34,117
Advance receipts		(33,488)	18,848
Net defined benefit liabilities - non-current		(425)	(194)
Cash inflow generated from operations		1,239,350	1,851,794
Interest received		24,938	27,844
Interest paid		(87,051)	(21,337)
Income tax paid		(205,523)	(193,277)
Net cash flows from operating activities		<u>971,714</u>	<u>1,665,024</u>

(Continued)

SCINOPHARM TAIWAN, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	<u>For the years ended December 31,</u>	
		2017	2016
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease in other financial assets - current		\$ -	\$ 284,216
Increase in financial assets measured at cost - non-current		(27,008)	(25,182)
Cash paid for acquisition of property, plant and equipment	6(26)	(289,479)	(395,633)
Interest paid for acquisition of property, plant and equipment	6(5)(21)(26)	(10,964)	(22,847)
Proceeds from disposal of property, plant and equipment		50	555
Acquisition of intangible assets		(8,625)	(11,416)
Increase in prepayment for equipment		(101,859)	(28,623)
Decrease in guarantee deposits paid		560	709
Increase in other financial assets - non-current		-	(4,097)
Net cash flows used in investing activities		<u>(437,325)</u>	<u>(202,318)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings		(583,878)	(719,601)
Increase in long-term borrowings		572,084	802,993
Decrease in long-term borrowings		(54,023)	-
Decrease in guarantee deposits received		(19,999)	(1,686)
Payment of cash dividends	6(16)	(228,098)	(219,325)
Net cash flows used in financing activities		<u>(313,914)</u>	<u>(137,619)</u>
Effect of foreign exchange rate changes		(16,835)	46,367
Net increase in cash and cash equivalents		203,640	1,371,454
Cash and cash equivalents at beginning of year	6(1)	<u>3,707,151</u>	<u>2,335,697</u>
Cash and cash equivalents at end of year	6(1)	<u>\$ 3,910,791</u>	<u>\$ 3,707,151</u>

The accompanying notes are an integral part of these consolidated financial statements.

Appendix 5

ScinoPharm Taiwan, Ltd.

Proposed Revision of the Rules of Procedures for Board of Directors Meetings

Current Provision	Revision Proposed	Remark
<p>Article 3 (Meeting of the Board of Directors) The Board of directors of the Company shall convene at least once every quarter. The meeting notice shall be delivered to the directors and <u>supervisors</u> each seven days prior to the scheduled meeting date indicating the reasons for convening the meeting, except in the event of emergency in which case the Board meeting may be convened at any time. The meeting notice provided in the preceding paragraph may, with the addressee's prior consent, be delivered electronically. The matters provided in paragraph one, Article 7 of these Rules must be noted in the reasons for convening the meeting in the meeting notice and must not be proposed by way of a motion extempore, except in case of emergency or with a good cause given.</p>	<p>Article 3 (Meeting of the Board of Directors) The Board of directors of the Company shall convene at least once every quarter. The meeting notice shall be delivered to the directors and each seven days prior to the scheduled meeting date indicating the reasons for convening the meeting, except in the event of emergency in which case the Board meeting may be convened at any time. The meeting notice provided in the preceding paragraph may, with the addressee's prior consent, be delivered electronically. The matters provided in paragraph one, Article 7 of these Rules must be noted in the reasons for convening the meeting in the meeting notice and must not be proposed by way of a motion extempore, except in case of emergency or with a good cause given.</p>	As the company has set up the Audit Committee, substituting for the system of supervisors, related articles are deleted accordingly.
<p>Article 5 (Units in charge of meeting affairs and Meeting Material) The board of directors has designated <u>Financial Accounting</u> to take charge of meeting affairs. Unit in charge of meeting affairs should formulate contents for the agenda of meetings of the board of directors and provide sufficient meeting materials, to be delivered along with meeting notice. Directors can ask them to provide extra materials, should they think the aforementioned materials are insufficient. Directors can seek resolution by the board of directors</p>	<p>Article 5 (Units in charge of meeting affairs and Meeting Material) The board of directors has designated <u>the two divisions of Administrative Management and Financial Accounting to take charge of meeting affairs jointly.</u> Units in charge of meeting affairs should formulate contents for the agenda of meetings of the board of directors and provide sufficient meeting materials, to be delivered along with meeting notice. Directors can ask them to provide extra materials, should they think the aforementioned materials are insufficient. Directors can seek</p>	Modify the text according to adjustment in the power, duties, and mission in the company.

Current Provision	Revision Proposed	Remark
for deferring the meeting date, for insufficiency of meeting materials.	resolution by the board of directors for deferring the meeting date, for insufficiency of meeting materials.	
<p>Article 7 (Matters required to be submitted to the meeting of the Board of Directors)</p> <p>The following matters must be proposed to the meeting of the Board of Directors for discussion:</p> <ol style="list-style-type: none"> 1. Business plan of the Company. 2. Annual financial report and semi-annual financial report except where the semi-annual financial report is not legally required to be certified by the accountants. 3. Establishment or <u>revision</u> of the internal control bylaw under Article 14-1 of the Securities And Exchange Act. 4. Establishment or revision of the bylaw under Article 36-1 of the Securities And Exchange Act regulating the procedure for the acquisition or disposition of assets, transactions of derivative products, providing loans to other persons, providing endorsement or guarantee to other persons or other material financial/business transactions. 5. Offering, issuance or private place of equity securities. 6. Appointment or discharge of financial, accounting or internal audit officers. 7. Provision of a gift to a related party or a substantial gift to a non-related party except where the gift proposed is to serve in public interests as an emergent relief of an event of major act of nature, in which case, ratification by the subsequent meeting of the Board of Directors will be sufficient. 8. Matter(s) which must be submitted to the Shareholders' Meeting or the meeting of the 	<p>Article 7 (Matters required to be submitted to the meeting of the Board of Directors)</p> <p>The following matters must be proposed to the meeting of the Board of Directors for discussion:</p> <ol style="list-style-type: none"> 1. Business plan of the Company. 2. Annual financial report and semi-annual financial report except where the semi-annual financial report is not legally required to be certified by the accountants. 3. Establishment or <u>correction</u> of the internal control bylaw under Article 14-1 of the Securities And Exchange Act, <u>and review of the effectiveness of the company's internal-control system.</u> 4. Establishment or revision of the bylaw under Article 36-1 of the Securities And Exchange Act regulating the procedure for the acquisition or disposition of assets, transactions of derivative products, providing loans to other persons, providing endorsement or guarantee to other persons or other material financial/business transactions. 5. Offering, issuance or private place of equity securities. 6. Appointment or discharge of financial, accounting or internal audit officers. 7. Provision of a gift to a related party or a substantial gift to a non-related party except where the gift proposed is to serve in public interests as an emergent relief of an event of major act of nature, in which case, ratification by the subsequent meeting of the Board of Directors will be sufficient. 8. Matter(s) which must be submitted to the Shareholders' 	<p>In line with the revision of the " Regulations Governing Procedure for Board of Directors Meetings of Public Companies " revise the contents of the article as follows:</p> <ol style="list-style-type: none"> 1. In line with the stipulation of article 14-5 of the "Securities and Exchange Act," add to item 1 of article 3 the stipulation that "review of the effectiveness of the internal control system" as a responsibility of the Audit committee is an important item and as such should be submitted to the board of directors for discussion. 2. In order to specify the duties/power of independent directors and strengthen their function at the board of directors, revise item 4 mandating in-person attendance of at least one independent director at meeting of the board of directors. For issues needing resolution

Current Provision	Revision Proposed	Remark
<p>Board of Directors for resolution as required by Article 14-3 of the Securities And Exchange Act or any other laws or regulations or the Articles of Incorporation and such important matter(s) as required by the competent authority.</p> <p>The related party provided in subparagraph 7 of the preceding paragraph means the related party defined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers. A substantial gift proposed to be provided to a non-related party means the gift proposed has a value of TWD100 million or more or the total value of all gifts provided to the same non-related party within a period of 12 months has attained or will attain TWD100 million or 1% of the net business revenue as indicated in the certified financial report on the most recent fiscal year or 5% of the total paid-in capital.</p> <p>The period of 12 months provided in the preceding paragraph means the 12-month period prior to the meeting date of the meeting of the Board of Directors and those gifts provided within the said period with the approval of the relevant meeting of the Board of Directors shall be excluded for purpose of the calculation.</p> <p>Where the matter provided in <u>Article 14-3 of the Securities And Exchange Act</u> is proposed to the meeting of the Board of Directors for resolution, the independent director <u>shall</u> personally attend <u>or</u> designate another independent director to act as his/her proxy at the meeting.</p> <p>Objection or qualified opinion expressed by the independent director present at the meeting must</p>	<p>Meeting or the meeting of the Board of Directors for resolution as required by Article 14-3 of the Securities And Exchange Act or any other laws or regulations or the Articles of Incorporation and such important matter(s) as required by the competent authority.</p> <p>The related party₂ provided in subparagraph 7 of the preceding paragraph means the related party defined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>A substantial gift proposed to be provided to a non-related party means the gift proposed has a value of TWD100 million or more or the total value of all gifts provided to the same non-related party within a period of 12 months has attained or will attain TWD100 million or 1% of the net business revenue as indicated in the certified financial report on the most recent fiscal year or 5% of the total paid-in capital.</p> <p>The period of 12 months₂ provided in the preceding paragraph means the 12-month period prior to the meeting date of the meeting of the Board of Directors and those gifts provided within the said period with the approval of the relevant meeting of the Board of Directors shall be excluded for purpose of the calculation.</p> <p><u>There should be at least one independent directors attending in person in the meetings of the board of directors ;</u> For issues needing resolution by the board of directors, as specified <u>in item 1, all independent directors should be present at the meeting</u> discussing the issues and <u>those who cannot do so should</u> authorize other independent</p>	<p>by the board of directors, as specified in item 1, all independent directors should be present at the meeting discussing the issues and those who cannot do so should authorize other independent directors to attend the meeting on their behalf.</p> <p>3. Modify some text and punctuation marks of item 2 and 3.</p>

Current Provision	Revision Proposed	Remark
<p>be indicated in the meeting minutes. The independent director who is unable to attend the meeting in person to express his/her objection or qualified opinion shall issue his/her opinion in writing in advance except where there is good reason preventing him/her from doing so and his/her objection or qualified opinion issued shall be indicated in the meeting minutes.</p>	<p>directors to attend the meeting on their behalf. Objection or qualified opinion expressed by the independent director present at the meeting must be indicated in the meeting minutes. The independent director who is unable to attend the meeting in person to express his/her objection or qualified opinion shall issue his/her opinion in writing in advance except where there is good reason preventing him/her from doing so and his/her objection or qualified opinion issued shall be indicated in the meeting minutes.</p>	
<p>Article 15 (Signed Meeting minutes) A minutes of the meeting of the Board of Directors shall be produced and truthfully and accurately indicate the following:</p> <ol style="list-style-type: none"> 1. Term of office (or fiscal year) of the directors, time and place of the meeting. 2. Name of the chairperson. 3. Attendance of the meeting, including the total number and the names of the directors present at the meeting, and those absent with a request for leave, and those absence without notice respectively. 4. Names and title of positions of those present at the meeting without the right to vote. 5. Name of the personnel taking the meeting minutes. 6. Reports to the meeting. 7. Particulars of each issue proposed for discussion, including the method and result of resolution, gist of the statement presented by the director, <u>supervisor</u>, expert and other personnel, name of the director who has conflict of 	<p>Article 15 (Signed Meeting minutes) A minutes of the meeting of the Board of Directors shall be produced and truthfully and accurately indicate the following:</p> <ol style="list-style-type: none"> 1. Term of office (or fiscal year) of the directors, time and place of the meeting. 2. Name of the chairperson. 3. Attendance of the meeting, including the total number and the names of the directors present at the meeting, and those absent with a request for leave, and those absence without notice respectively. 4. Names and title of positions of those present at the meeting without the right to vote. 5. Name of the personnel taking the meeting minutes. 6. Reports to the meeting. 7. Particulars of each issue proposed for discussion, including the method and result of resolution, gist of the statement presented by the director, expert and other personnel, name of the director who has conflict of interests as provided in paragraph one of the preceding 	<p>As the company has set up the Audit committee, substituting for the system of supervisors, related articles are deleted accordingly.</p>

Current Provision	Revision Proposed	Remark
<p>interests as provided in paragraph one of the preceding paragraph and his/her substantive explanation of the conflict at hand, reasons why he/she should or may be allowed not to recuse himself/herself from the relevant discussion and resolution, the performance of the recusal, and the objection or qualified opinion expressed on the record or with a written statement presented and the written opinion issued by the independent directors pursuant to paragraph four of Article 7 of these Rules.</p> <p>8. Particulars of each extempore motion, including the name of the person who raises the motion, method and result of resolution, gist of the statement presented by the director, <u>supervisor</u>, expert and other personnel, name of the director who has conflict of interests as provided in paragraph one of the preceding paragraph and his/her substantive explanation of the conflict at hand, reasons why he/she should or may be allowed not to recuse himself/herself from the relevant discussion and resolution, the performance of the recusal, and objection or qualified opinion expressed on the record or with a written statement presented.</p> <p>9. Other matters which must be recorded. In either of the following events, the resolutions adopted by the meeting of the Board of Directors must be recorded in the meeting minutes and announced and reported online within two (2) days from the meeting date on the Marketing Observation Post System website designated by the Financial Supervisory Committee:</p> <p>(1) There is objection or qualified opinion expressed by the</p>	<p>paragraph and his/her substantive explanation of the conflict at hand, reasons why he/she should or may be allowed not to recuse himself/herself from the relevant discussion and resolution, the performance of the recusal, and the objection or qualified opinion expressed on the record or with a written statement presented and the written opinion issued by the independent directors pursuant to paragraph four of Article 7 of these Rules.</p> <p>8. Particulars of each extempore motion, including the name of the person who raises the motion, method and result of resolution, gist of the statement presented by the director, expert and other personnel, name of the director who has conflict of interests as provided in paragraph one of the preceding paragraph and his/her substantive explanation of the conflict at hand, reasons why he/she should or may be allowed not to recuse himself/herself from the relevant discussion and resolution, the performance of the recusal, and objection or qualified opinion expressed on the record or with a written statement presented.</p> <p>9. Other matters which must be recorded. In either of the following events, the resolutions adopted by the meeting of the Board of Directors must be recorded in the meeting minutes and announced and reported online within two (2) days from the meeting date on the Marketing Observation Post System website designated by the Financial Supervisory Committee:</p> <p>(1) There is objection or qualified opinion expressed by the independent directors on the record</p>	

Current Provision	Revision Proposed	Remark
<p>independent directors on the record or with the relevant written statement presented.</p> <p>(2) The resolution is not approved by the Audit Committee but is adopted by two thirds (2/3) or more of the directors.</p> <p>The attendance book of the meeting of the Board of Directors is an integral part of the meeting minutes and shall be properly kept throughout the life of the Company. The meeting minutes must be signed or sealed by the chairperson and the secretary taking the meeting minutes with a copy distributed to the directors <u>and supervisors</u> each within twenty (20) days after the meeting, classified as an important file of the Company and properly kept throughout the life of the Company.</p> <p>The meeting minutes provided in paragraph one may be produced and distributed electronically.</p>	<p>or with the relevant written statement presented.</p> <p>(2) The resolution is not approved by the Audit Committee but is adopted by two thirds (2/3) or more of the directors.</p> <p>The attendance book of the meeting of the Board of Directors is an integral part of the meeting minutes and shall be properly kept throughout the life of the Company. The meeting minutes must be signed or sealed by the chairperson and the secretary taking the meeting minutes with a copy distributed to the directors each within twenty (20) days after the meeting, classified as an important file of the Company and properly kept throughout the life of the Company.</p> <p>The meeting minutes provided in paragraph one may be produced and distributed electronically.</p>	
<p><u>Article 17: (Powers And Duties of Auditing Board)</u> <u>Provisions of these Rules applicable to Supervisors shall apply to the Audit Committee (if any) with necessary and appropriate alterations.</u></p>	<p><u>Article 17: Deleted</u></p>	<p>As the company has set up the Audit committee, substituting for the system of supervisors, related articles are deleted accordingly</p>
<p>Article 20 (Implementation & Revision) These Rules were established on 25 September 2009 and subsequently revised as follows: 1st-revision of 26 March 2012, 2nd revision of 14 December 2012.</p>	<p>Article 20 (Implementation & Revision) These Rules were established on 25 September 2009 and subsequently revised as follows: 1st revision of 26 March 2012, 2nd revision of 14 December 2012. <u>3rd revision of December 19, 2017</u></p>	<p>The revision is proposed to update the record of revision of these Rules.</p>

Appendix 6

Information of Director Nominees

ScinoPharm Taiwan, Ltd.

Annual General Shareholders' Meeting- June 27, 2018

Directors Nomination List nominated by shareholders

According to Article 192 of the Company Act,

The nominated candidates are listed as following:

Share holder No / ID No.	Name of Nominee	Academic Attainments	Past Career	Current Position	Amount of Shares Held (Unit: Share) [Note]
4	Uni-President Enterprises Corp. Representative: Chih-Hsien Lo	MBA, UCLA, USA	President of Uni-President Enterprises Corp.	Chairman of : Uni-President Enterprises Corp. , President Chain Store Corp. , Uni-President Natural Industrial Corp. , Ton Yi Industrial Corp , TTET Union Corp. , Prince Housing & development Corp. , Kai Yu Investment Co., Ltd , President International Development Corp. , Tong Yu Investment Corp. , President Property Corporation , Presco Netmarketing Inc. , Uni-President Dream Parks Corp. , Kai Nan Investment Co., Ltd. , President Century Corp. , Uni-President China Holdings Ltd. , President Enterprises (China) Investment Co., Ltd. , Tong Ren Corp. , ScinoPharm Taiwan, Ltd. Vice Chairman of : President Nisshin Corp. Director of : President Starbucks Coffee Corp. , Kuang Chuan Foods Co., Ltd. , Tait Marketing & Distribution Co., Ltd. , Weilih Food Corp. , Kao Chyuan Inv. Co., Ltd. President of : Presco Netmarketing Inc. Chairman and Group Chief Strategy Officer of Uni-President Enterprises Corp.	299,968,639
4	Uni-President Enterprises Corp. Representative: Tsung-Ming Su	MBA, Iowa State Univ., USA	1.Chief Financial Officer and Senior Vice President of Uni-President Enterprises Corp. 2.President of President International Development Corp. 3.President of President Life Sciences Co., Ltd.	Chairman of : Uni-President Development Corp. , President Life Sciences Co., Ltd. Director of : President Chain Store Corp. , Kai Yu Investment Co., Ltd , Grand Bills Finance Corp. , President Fair Development Corp. , President International Development Corp. , Tong Yu Investment Corp. , CDIB & Partners Investment Holding Corp. , Kai Nan Investment Co., Ltd. , Xiang Lu Industrial Ltd. , Uni-President China Holdings Ltd. , Uni-President Hong Kong Holdings Limited , ScinoPharm Taiwan, Ltd.	299,968,639

Share holder No / ID No.	Name of Nominee	Academic Attainments	Past Career	Current Position	Amount of Shares Held (Unit: Share) [Note]
				Independent Director : Senao International Co., Ltd. Supervisor of : Presicarre Corp. , Presco Netmarketing Inc. , President Enterprises (China) Investment Co., Ltd. President of : President International Development Corp. , President Life Sciences Co., Ltd. , President Property Corporation Vice President of Uni-President Enterprises Corp.	
4	Uni-President Enterprises Corp. Representative: Kun-Shun Tsai	Master of Science, University of Minnesota, USA	1. Director, Uni-President Natural Corp. 2. Director, Taiwan Association for Lactic Acid Bacteria 3. Supervisor, Association of Taiwan Tea 4. Member, Technical Committee of National Standards, Bureau of Standards, Metrology & Inspection, MOEA, R.O.C. 5. Commissioner of the Review Committee , Academic Technology Development Program, MOEA, R.O.C. 6. Director, Taiwan Association for Food Science and Technology	Chairman of : Uni-President Oven Bakery Corp. Director of : Tung-Ren Pharmaceutical Corporation , ScinoPharm Taiwan, Ltd. Manager of Uni-President Enterprises Corp.	299,968,639
4	Uni-President Enterprises Corp. Representative: Tsung-Pin Wu	Accounting, Chung Yuan Christian University	Financial Planning Division Manager (Accounting Supervisor), Uni-President Enterprises Corp.	Chairman of : Uni-President Assets Management Co., Ltd. Director of : President Chain Store Corp. , Prince Housing & development Corp. , Prince Real Estate Co., Ltd. , Time Square International Co., Ltd. , Tung-Ren Pharmaceutical Corporation , Kuang Chuan Dairy Co., Ltd. , Kuang Chuan Foods Co., Ltd. , Tong Yu Investment Corp. , Uni-President Hong Kong	299,968,639

Share holder No / ID No.	Name of Nominee	Academic Attainments	Past Career	Current Position	Amount of Shares Held (Unit: Share) [Note]
				Holdings Limited , ScinoPharm Taiwan, Ltd. Supervisor of : Kai Yu Investment Co., Ltd , President International Development Corp. , President Property Corporation , Kai Nan Investment Co., Ltd. Accounting Group Director of Uni-President Enterprises Corp.	
4	Uni-President Enterprises Corp. Representative: Jia-Horng Guo	1.Master of Finance, University of Illinois 2.Master of Business Administration, University of Minnesota 3.B.S., National Taiwan University.	1.Managing Director & head of UBS Investment Banking, Taiwan 2.Executive Director of Citigroup Investment Bank, Taiwan 3.Director of ING Barings Investment Bank 4.Director of Citi Investment Bank (HK) 5.Director of Taishin Securities Co., Ltd	Vice Chairman of : Taishin Securities Co., Ltd Director of : ScinoPharm Taiwan, Ltd. Independent Director of : Global Brands Manufacture Ltd. , Partner Tech Corporation	299,968,639
4	Uni-President Enterprises Corp. Representative: Yung-Fa Chen	1.Ph.D, Department of Chemistry, Wayne State University, USA 2.M.S., Department of Chemistry, National Taiwan University 3.B.S., Department of Chemistry, Tunghai University	1.ScinoPharm Taiwan, Ltd - Sr. Vice President of R&D & Chief Technology Officer 2. Tunghai University Department of Chemistry - Adjunct Associate Professor 3. CPC Corporation, Taiwan - Project Manager of Refining & Manufacturing Research Institute	Director of : SPT International, Ltd. , ScinoPharm Singapore Pte Ltd. , SciAnda (Kunshan) Biochemical Technology, Ltd. , SciAnda (Changshu) Pharmaceuticals, Ltd. , SciAnda Shanghai Biochemical Technology, Ltd. , ScinoPharm Taiwan, Ltd. President of : ScinoPharm Taiwan, Ltd. , SciAnda (Kunshan) Biochemical Technology, Ltd. , SciAnda (Changshu) Pharmaceuticals, Ltd.	299,968,639
5	Tainan Spinning Co., Ltd. Representative: Po-Ming Hou	Chinese Culture University	Vice Chairman and President of Tainan Spinning Co., Ltd	Chairman of : Tainan Spinning Co., Ltd , Nan Fan Housing Development Co., Ltd. , Tainan Spinning Retail & Distribution Co., Ltd. , Tainan Textile Co., Ltd. , Yu Peng Inv. Co., Ltd. Managing Director of : Nantex Industry Co., Ltd. Director of : Nan Fan Development Corp. , T.G.I. Co., Ltd. Prince Housing &Development	23,605,921

Share holder No / ID No.	Name of Nominee	Academic Attainments	Past Career	Current Position	Amount of Shares Held (Unit: Share) [Note]
				Corp. › Uni-President Enterprises Corp. › President International Development Corp. › ScinoPharm Taiwan, Ltd. Chairman and Operating Strategy Officer of Tainan Spinning Co., Ltd.	
860	Kao Chyuan Inv. Co., Ltd. Representative: Shiow-Ling Kao	Marymount College, University of Southern California, USA.	Chairman and President of Kao Chyuan Inv. Co., Ltd.	Chairman of : Kao Chyuan Inv. Co., Ltd. › President Being Corp. › Uni-President Department Store Corp. › President Pharmaceutical Corp. › President Fair Development Corp. › President Drugstore Business Corporation. Director of : Uni-President Enterprises Corp. › President Chain Store Corp. › Ton Yi Industrial Corp. › President International Development Corp. › Prince Housing & development Corp. › President Securities Corp. › Uni-President Development Corp. › Time Square International Co., Ltd. › President Starbucks Coffee Corp. › President (Shanghai) Health Product Trading Company Ltd. › ScinoPharm Taiwan Ltd. President of : Kao Chyuan Inv. Co., Ltd.	14,832,733
861	President International Development Corp. Representative: Chiou-Ru Shih	MA in Economics, University of Hawaii	1.Vice General Manager, President International Development Corp. 2.Director, President Biosystems Co., Ltd. 3.Department Director, President Life Sciences Co., Ltd. Investment	Director of : Kanh Na Hsiung Enterprise Co., Ltd. › SYNergy ScienTech Corp. › President Life Sciences Co., Ltd. › Allianz Pharmascience Limited › Grand Bills Finance Corp. › iMQ Technology Inc. › ScinoPharm Taiwan, Ltd. Vice President of President International Development Corp.	28,673,421
1	National Development Fund, Executive Yuan Representative: Ming-Chuan Hsieh	Master of Health Services Administration, China Medical University	Executive Supervisor, Taiwan Health & Wellness Counseling Association	Assistant Professor of Chia Nan University of Pharmacy & Science Director of : Harbinger VI Venture Capital Corp. › Harbinger VII Venture Capital Corp. Independent Director of : Uni Pharma Co., Ltd Supervisor of : Han Tech Venture Capital Corp › United Biomedical Pharma Inc.	109,539,014

Share holder No / ID No.	Name of Nominee	Academic Attainments	Past Career	Current Position	Amount of Shares Held (Unit: Share) [Note]
1	National Development Fund, Executive Yuan Representative: Ya-Po Yang	Ph.D. in Economics, Department of Economics National Taiwan University	Professor and Chairperson of Institute of Department of International Business, College of Business, Southern Taiwan University of Science and Technology	Professor of Institute of Business and Management, College of Management, National University of Kaohsiung	109,539,014
2	Taiwan Sugar Corporation Representative: Kuo-His Wang	Ph.D. in Agricultural Chemistry, Department of Agricultural Chemistry National Taiwan University	Taiwan Sugar Corporation Chief , Deputy Chief Executive Officer , Deputy Chief Executive Officer and Acting temporary Chief Executive Officer , Institute Chair and Acting temporary Chief Executive Officer , Institute Chair	Director of : Taigen Biopharmaceuticals Holdings Limited , ScinoPharm Taiwan, Ltd. Vice President of : Taiwan Sugar Corporation	32,581,963

Note: Shareholdings as of share transfer registration closing beginning on April 29, 2018.

Information of Director Nominees

ScinoPharm Taiwan, Ltd.

Annual General Shareholders' Meeting- June 27' 2018

Independent Directors Nomination List nominated by shareholders

According to Article 192 of the Company Act,

The nominated candidates are listed as following:

Share holder No / ID No.	Name of Nominee	Academic Attainments	Past Career	Current Position	Amount of Shares Held (Unit: Share) [Note]	Serve as Independent Director for three consecutive terms
B121○○ ○○53	Wei-Te Ho	Ph.D, Department of Accountancy, National Cheng Kung University	1.Deputy Section Chief, Audit Department, Diwan, Ernst & Young (now Ernst & Young) 2.Full-Time Lecturer, Department of Accounting Information, Southern Taiwan University of Science and Technology	1.Assistant Professor, Department of Accounting Information, Southern Taiwan University of Science and Technology 2.Independent Director, ScinoPharm Taiwan, Ltd.	0	No
S102○○ ○○74	Wen-Chang Chang	Ph.D. Physiological Chemistry, University of Tokyo, Faculty of Pharmaceutical Sciences, Tokyo, Japan	1.Vice Chairman, Institute for Biotechnology and Medicine Industry 2.Deputy Minister, National Science Council 、General Director, Department of Life Sciences, National Science Council, Taiwan 3.Visiting Professor, Biosignal Research Center, Kobe University 4.Visiting Scholar, William Harvey Research Institute (Director Sir John R. Vane), London, U. K. 5.National Cheng Kung University, Tainan, Taiwan : Professor, Department of Pharmacology, College of Medicine 、Chairman, Department of Pharmacology, National Cheng Kung University 、Chairman, Institute of Basic Medical Sciences, National Cheng Kung University 、Associate Dean, College of Medical 、University Chair Professor 、Director, Center for Biosciences and Biotechnology 、Dean, College of Bioscience and Biotechnology 、	1.Chair Professor and Chairman, Board of Trustees, of Graduate Institute of Medical Sciences, College of Medicine, Taipei Medical University 2.Chair Professor, Graduate Institute of Medical Sciences, College of Medicine, Taipei Medical University 3.Emeritus Distinguished Chair Professor of National Cheng Kung University 4.Academician of Academia Sinica 5.Independent Director of Universal Cement Corporation	0	No

			<p>Distinguished Chair Professor 、 Emeritus Distinguished Chair Professor</p> <p>6.Visiting Scientist, College of Pharmacy, University of Kentucky, Lexington, Kentucky, USA</p> <p>7.Visiting Scientist, Tokyo Metropolitan Institute of Gerontology, Tokyo, Japan</p> <p>8.Visiting Fellow, Gerontology Research Center, National Institute on Aging, NIH, Baltimore, Maryland, USA</p>			
E101○○ ○○13	Li-Tzong Chen	Ph.D, Kaohsiung Medical University Graduate Institute of Clinical Medicine	<p>1.Organization Planner of Committee Chairman in Department of Ministry of Science and Technology, Division of Internal Medicine(2)</p> <p>2.Deputy Organization Planner of Committee Chairman in Department of Ministry of Science and Technology, Division of Internal Medicine(2)</p> <p>3.Research Vice President, Kaohsiung Medical University Chung-Ho Memorial Hospital</p> <p>4.Director, Cancer Center of Kaohsiung Medical University Chung-Ho Memorial Hospital</p> <p>5.Acting Temporary Board Director of Taiwan Oncology Society</p> <p>6.Acting Temporary Supervisor of The Gastroenterological Society of Taiwan</p> <p>7.Deputy Chair of National Institute of Cancer Research, National Health Research Institutes</p> <p>8.Acting Temporary Attending Physician of National Taiwan University Hospital Department of Oncology</p> <p>9.Acting Temporary Attending Physician of Taipei Veterans general Hospital-Department of Internal Medicine</p>	<p>1.Distinguished Investigator & Director, National Institute of Cancer Research, National Health Research Institutes</p> <p>2.Organization Planner of Committee Chairman in Department of Ministry of Science and Technology, Department of Life Sciences, Division of Hematology and Immunology</p> <p>3.Adjunct Professor ,College of Medical Science and Technology, Taipei Medical University</p> <p>4.Adjunct Professor , Internal Medicine, Kaohsiung Medical University</p> <p>5.Acting Temporary Director of Taiwan Pancreas Society</p> <p>6. Professor, jointly appointed, Institute of Molecular Medicine, NCKU</p> <p>7.Professor, jointly appointed, Institute of Clinical Pharmacy and Pharmaceutical Sciences, NCKU</p> <p>8.Attending Physician, Department of Internal Medicine, National Cheng-Kung University Hospital, Tainan</p>	0	No

Note: Shareholdings as of share transfer registration closing beginning on April 29, 2018.

Appendix 7

ScinoPharm Taiwan, Ltd.

Annual General Shareholders' Meeting- June 27, 2018

Titles and job details of director candidates (including independent directors) who will be.....
exempting from non-compete competition prohibition

Name	Currently act or activity and concurrently hold another office within the scope of the Company's business
Uni-President Enterprises Corp.	ScinoPharm Taiwan Ltd. Director
Uni-President Enterprises Corp. Representative: Chih-Hsien Lo	ScinoPharm Taiwan Ltd. Chairman and Chief Strategic Officer
Uni-President Enterprises Corp. Representative: Tsung-Ming Su	ScinoPharm Taiwan Ltd. Director President Life Sciences Co., Ltd. Chairman and President , AndroSciences Corp. Chairman , Tanvex Biologics. Inc. Director , President Life Sciences Cayman Co., Ltd. Director
Uni-President Enterprises Corp. Representative: Kun-Shun Tsai	ScinoPharm Taiwan Ltd. Director
Uni-President Enterprises Corp. Representative: Tsung-Pin Wu	ScinoPharm Taiwan Ltd. Director
Uni-President Enterprises Corp. Representative: Jia-Horng Guo	ScinoPharm Taiwan Ltd. Director
Uni-President Enterprises Corp. Representative: Yung-Fa Chen	ScinoPharm Taiwan Ltd. Director & President SPT International, Ltd. Director , ScinoPharm Singapore Pte Ltd. Director , SciAnda (Kunshan) Biochemical Technology, Ltd. Director & President , SciAnda (Changshu) Pharmaceuticals, Ltd. Director & President , SciAnda Shanghai Biochemical Technology, Ltd. Director
Tainan Spinning Co., Ltd.	ScinoPharm Taiwan Ltd. director
Tainan Spinning Co., Ltd. Representative: Po-Ming Hou	ScinoPharm Taiwan Ltd. Director
Kao Chyuan Investment Co., Ltd.	ScinoPharm Taiwan Ltd. Director
Kao Chyuan Investment Co., Ltd. Representative: Shioh-Ling Kao	ScinoPharm Taiwan Ltd. Director President Pharmaceutical Corp. Chairman , President (Shanghai) Health Product Trading Company Ltd. Director
President International Development Corp	ScinoPharm Taiwan Ltd. Director President Life Sciences Co., Ltd. Chairman 、President 、 Director and Supervisor , AndroSciences Corp. Chairman & Director , Allianz Pharmascience Ltd. Director , Helios Bioelectronics Inc. Director , Dabomb Protein Corp. Director

Name	Currently act or activity and concurrently hold another office within the scope of the Company's business
President International Development Corp Representative: Chiou-Ru Shih	ScinoPharm Taiwan Ltd. Director President Life Sciences Co., Ltd. Director , Allianz Pharmascience Ltd. Director , Helios Bioelectronics Inc. Director , Dabomb Protein Corp. Director
National Development Fund, Executive Yuan	ScinoPharm Taiwan Ltd. Director Genovate Biotechnology Co., Ltd. Director , Taiwan Biotech Co., Ltd. Director , Taiwan Flower Biotechnology Co., Ltd. Director , United Biomedical Inc. Asia Director , Adimmune Corporation Director , TaiGen Biopharmaceuticals Holdings Limited Director , PharmaEssentia Corporation Director , PharmaEngine Inc. Director , TaiAn Technologies Corp. Director , Mycenax Biotech Inc. Director , TaiMed Biologics Inc. Director , EirGenix Inc. Director , MetaTech Inc. Director
National Development Fund, Executive Yuan Representative: Ming-Chuan Hsieh	ScinoPharm Taiwan Ltd. Director Director of : Uni Pharma Co.,Ltd Independent Director , Harbinger VI Venture Capital Corp. Director , Harbinger VII Venture Capital Corp. Director
National Development Fund, Executive Yuan Representative: Ya-Po Yang	ScinoPharm Taiwan Ltd. Director
Taiwan Sugar Corporation	ScinoPharm Taiwan Ltd. Director Taiwan Sugar Corporation , United Biomedical Inc. Asia Director , TaiGen Biopharmaceuticals Holdings Limited Director
Taiwan Sugar Corporation Representative: Kuo-His Wang	ScinoPharm Taiwan Ltd. Director Taiwan Sugar Corporation Vice President
Wei-Te Ho	ScinoPharm Taiwan Ltd. Independent Director
Wen-Chang Chang	ScinoPharm Taiwan Ltd. Independent Director
Li-Tzong Chen	ScinoPharm Taiwan Ltd. Independent Director

IV. Exhibits

Exhibit 1

ScinoPharm Taiwan, Ltd. Rules Governing Shareholders' Meetings

Adopted by the Shareholders' Meeting of 23 June 2015

Article 1

These Rules are established for the purpose of good governance of the meeting of the shareholders, healthy supervision and strengthened control of the Company.

Article 2

The meeting of the shareholders of the Company shall be in accordance with these Rules except as otherwise provided by laws, regulations or the Articles of Incorporation of the Company.

Article 3

(Deleted.)

Article 4

(Deleted.)

Article 5

Except as otherwise provided by laws or regulations, the meeting of the shareholders of the Company shall be convened by the Board of Directors.

The Company shall produce the electronic files of the notice of Shareholders' Meeting, the proxy form, and the matters proposed with explanation given for ratification, discussion, proposed election or dismissal of directors by the meeting and have the files uploaded to the M.O.P.S. thirty (30) days ahead of the scheduled meeting date for a General Shareholders' Meeting and fifteen (15) days ahead for an Extraordinary Shareholders' Meeting. The Company shall produce and upload to the M.O.P.S. the electronic files of the meeting agenda and relevant supplemental materials twenty-one (21) days ahead of the scheduled meeting date for a General Shareholders' Meeting and fifteen (15) days ahead for an Extraordinary Shareholders' Meeting. The Company shall produce and display paper copies of the meeting agenda with relevant supplemental materials at the premises of the Company as well as the stock affairs agency entrusted by the Company fifteen (15) days prior to the meeting date ready for the shareholders to collect/read at any time, which shall also be distributed at the meeting site.

The (personal) notice and the public notice of the Shareholders' Meeting both shall manifestly indicate the cause of the meeting and may, subject to the prior consent of the shareholder concerned, be delivered to the shareholder electronically.

Proposed election, removal of a director or supervisor, proposed revision of the Articles of Incorporation, proposed dissolution, merger, division of the Company or any of the matters provided in paragraph one of Article 185 of the Company Act, Article 26-1 or Article 43-6 of the Securities and Exchange Act and/or Article 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers (if any) must be listed in the proposed agenda and cannot be proposed by way of an extempore motion at the meeting.

The shareholder(s) whose total shares held represent one percent (1%) or more of the total issued shares of the Company may make to the Company one and only one motion to be listed in the proposed agenda of the General Shareholders' Meeting. The Board of Directors may decide not to include the above motion in the agenda if the motion proposed runs into any of the circumstances provided in paragraph four of Article 172-1 of the Company Act.

The Company shall make a public notice to announce the time period (which shall not be less than ten days) and the place where the shareholder shall send his/her motion to be proposed to the General Shareholders' Meeting, which public notice shall be made prior to the start date of the duration when the transfer of the shares of the Company shall cease for the purpose of the convention of the Shareholders' Meeting.

The text of the motion proposed by the shareholder shall have not more than 300 words or the motion in its entirety will not be included in the proposed agenda. The movant shareholder(s) shall attend the General Shareholders' Meeting in person or by proxy and participate in the discussion of the motion he/she has proposed.

The Company will, prior to the scheduled date to issue the notice of the Shareholders' Meeting, give a notice to the movant shareholder(s) of the result of the handling of his/her motion proposed and list in the proposed agenda to be delivered to the shareholders each every motion proposed in accordance with this Article. The Board of Directors shall explain at the Shareholders' Meeting the reason(s) why certain motions proposed by the shareholders have not been included in the agenda.

Article 6

The venue of the Shareholders' Meeting shall be located at the place where the Company is located or where it is appropriate and convenient for the shareholders to attend the meeting. The meeting shall begin no earlier than the hour of 09:00 and no later than the hour of 15:00. The venue and time of the Shareholders' Meeting shall be determined in consideration of the relevant opinion expressed by the independent director(s), if any, of the Company.

Article 7

The shareholder may designate a proxy to attend the Shareholders' Meeting in his/her stead by execute the proxy letter form produced by the Company indicating therein the scope of authorization to the proxy.

A shareholder may execute one and only one proxy letter to designate one and only one proxy for the purpose of the Shareholders' Meeting. The executed proxy letter must be served to the Company five days prior to the meeting date. Where the shareholder has served more than one executed proxy letters to the Company, the earliest served to the Company shall govern except where the shareholder has expressed his/her withdraw of the proxy.

The shareholder who has served his executed proxy letter to the Company may still attend the Shareholders' Meeting in person or exercise his/her voting right in writing or electronically, provided that he/she gives a written notice to the Company to withdraw the proxy, which written notice must be served to the Company no later than two days before the meeting date or the voting right exercised by his/her designated proxy shall govern.

Article 8

The Company shall indicate in the notice of Shareholders' Meeting the hour when and the place where the shareholders shall check-in to attend the meeting and other matters for attention.

The hour when the shareholders may check-in to attend the meeting as provided in the preceding paragraph shall commence no later than thirty (30) minutes before the meeting is called to order. The check-in desk shall bear a conspicuous signboard with suitable personnel to process shareholders check-in.

The shareholder or his/her designated proxy (hereinafter "shareholder") shall present his/her attendance identification, attendance card or other evidence of attendance to be admitted to the meeting. The Company must not without due authorization request the shareholder or authorized proxy to present any additional evidence or document to prove their entitlement to attend the meeting. A proxy solicitor shall present his/her identification document for verification.

The Company shall prepare an attendance book for the shareholder attending the Shareholders' Meeting to sign in. The shareholder attending the meeting in person may turn in his/her signed attendance card instead of signing in the attendance book.

The Company shall have the agenda, annual report, attendance tag, request form for requesting to take the platform, ballot forms, other meeting materials, and where applicable, the ballot forms to be used to elect directors and/or supervisor delivered to each of the shareholders present at the meeting.

A government or corporate shareholder may be represented at the Shareholders' Meeting of the Company by one or more representatives. A juristic person acting in proxy at the Shareholders' Meeting of the Company may appoint one and only one individual to act as its representative at the meeting.

Article 9

The Shareholders' Meeting convened by the Board of Directors shall be presided by the Chairman/Chairwoman of the Board of Directors. If he/she has requested for leave from or for whatever reason is unable to perform his/her powers and duties at the meeting, the Chairman/Chairwoman of the Board of Directors shall appoint a director to act in his/her stead. Absent the above appointment, the directors shall elect one from among themselves to preside at the meeting.

The director or the representative of the corporate director appointed to preside at the Shareholders' Meeting acting instead of the Chairman / Chairwoman of the Board of Directors provided in the preceding paragraph must have held his/her directorship for a period of six months or more and must be well informed of the financial standing and business of the Company.

The Shareholders' Meeting convened by the Board of Directors should be presided by the Chairman of the Board of Directors and attended by the majority of the directors and one or more supervisors, and one or more members for each of the function-oriented committees established; and the attendance to the meeting shall be recorded in the minutes of the meeting.

The Shareholders' Meeting convened by a person other than the Board of Directors authorized to do so shall be presided by that person. Where the Shareholders' Meeting is convened by two or more persons, they shall elect one from among themselves to preside at the meeting.

The Company may appoint legal counsel(s), certified public accountant(s) or relevant personnel to attend the Shareholders' Meeting as non-voting delegates.

Article 10

The attendance at the Shareholders' Meeting shall be counted based on the number of shares represented at the meeting, which number shall be counted by adding up the shares represented by signed attendance book, the signed attendance card and the shares represented by the voting right exercised in writing or electronically.

The chairperson of the meeting shall announce to commence the meeting in due course, which announcement may be postponed twice and only twice and up to not more than an hour in total pending the fulfillment of representation of the majority of the total issued shares of the Company. If the total shares represented at the meeting still account for less than one third (1/3) of the total issued shares of the Company after the chairperson has duly twice postponed commencing the meeting, the chairperson shall announce the call for the meeting unsuccessful.

Where the total shares represented at the meeting not amounting to the quorum attains one third (1/3) or more of the total issued shares of the Company after the commencement of the meeting is duly twice postponed in accordance with the preceding paragraph, tentative resolutions may be adopted by the meeting under paragraph one of Article 175 of the Company Act, which tentative resolutions must be notified to the shareholders each with the notice of a re-scheduled Shareholders' Meeting to be held within a month.

If the quorum of due representation of the majority of the total issued shares of the Company is fulfilled before the meeting ends, the chairperson shall submit the tentative resolutions adopted (if any) to the meeting for re-voting and adoption by the meeting pursuant to Article 174 of the Company Act.

Article 11

The Company shall take video and sound recording of the whole proceeding of the Shareholders' Meeting.

The recording provided in the preceding paragraph shall be kept for a term of not less than one year except in case of any shareholder's action initiated under Article 189 of the Company Act where the above recording shall be kept through the action concluded with a final judgment with binding effects.

Article 12

The agenda of the Shareholders' Meeting convened by the Board of Directors shall be compiled and produced by the Board of Directors. The meeting shall proceed strictly in accordance with the agenda except as otherwise changed by the relevant resolution adopted by the Shareholders' Meeting.

The preceding paragraph shall apply with necessary and appropriate alteration to the Shareholders' Meeting convened by the person authorized to do so other than the Board of

Directors.

Except as approved by the resolution adopted by the meeting for him/her to do so, the chairperson must not announce to adjourn the meeting before the agenda duly ends (including extempore motions, if any) pursuant to the two preceding paragraphs or the other members of the Board of Directors shall instantly assist the shareholders present at the meeting in re-electing one from among them by the majority votes represented at the meeting to act as the chairperson to continue the meeting.

The chairperson shall accord each of the issues proposed and the revision or extempore motion proposed by the shareholders sufficient time for explanation and discussion and may announce that the discussion be ceased and voting be taken when he/she considers it appropriate to do so.

Article 13

The shareholder who wishes to take the platform at the meeting shall fill out the request form indicating therein the gist of his/her speech and his/her shareholder account number (or attendance tag number) and name. The order for the shareholders to speak at the meeting, who have duly requested to take the platform, shall be determined by the chairperson.

The shareholder who has filled out the request form but does not take the platform shall be deemed not to have spoken. In case of discrepancy between the actual speech and the gist of speech written in the signed request form, the former shall govern.

Except as approved by the chairperson, the shareholder who has duly requested to take the platform on certain issue proposed may speak twice and only twice on that issue for a duration of not more than five (5) minutes each. Notwithstanding, the chairperson may cease the shareholder's speech or announce to cease the discussion and forthwith move on with the rest of the agenda or the relevant procedure if the shareholder has spoken in breach of the relevant rules, outside the scope of the issue at hand or at the cost of the order of the meeting.

Except as approved by both of the chairperson and the shareholder duly taking the platform, no shareholder may interrupt the speech made by the speaker shareholder. The chairperson is authorized to prevent and remove unapproved interruption of the shareholder's speech, if any.

Where a corporate person has appointed two or more representatives to act in its stead at the Shareholders' Meeting, only one elected by the representatives from among themselves may take the platform on the issue at hand.

The chairperson may personally or designate the relevant personnel to answer the speech made by the shareholder who has duly taken the platform.

Article 14

The shareholder will have one vote on each share held. Notwithstanding, the holder will have no voting right on the shares described in paragraph two of Article 179 of the Company Act.

Article 15

The voting at the Shareholders' Meeting shall be counted according to the number of shares represented by the votes received.

For the purpose of counting the votes on the resolution adopted by the Shareholders' Meeting, non-voting shares shall be excluded from the counting of the total issued shares of the Company.

The shareholder whose own interests in the issue at hand conflicts against the interests of the Company must not vote on the issue nor appoint another shareholder to do so in his/her stead.

The shares represented by the voting rights barred by the preceding paragraph on the issue at hand shall be excluded from the counting of the total shares represented at the meeting for the purpose of voting on that particular issue.

Except for trust enterprises or stock affair institutions authorized by the competent securities authority, a proxy acting at the meeting for two or more shareholders may exercise the voting rights up to the extent and only the extent where the voting rights exercised represent no more than 3% of the total issued voting shares of the Company. Voting exercised by the above proxy in excess of said limitation of voting right will be disregarded.

Article 16

The voting right of the shareholder shall be exercised electronically and may be exercised in writing and the method of exercising the voting right shall be manifestly indicated in the notice of the Shareholders' Meeting. The shareholder who elects to exercise his/her voting right in writing or electronically will be deemed to have attended the meeting in person, provided that he/she will be deemed to waive his/her voting right with respect to the revision proposed on an issue listed in the agenda or new issues proposed by way of an extempore motion at the meeting; the Company shall accordingly avoid initiating any proposal to change the agenda or any extempore motions.

The shareholder exercising his/her voting right in writing or electronically under the preceding paragraph shall serve the notice of his/her voting to the Company two days before the scheduled meeting date. Where the shareholder has served more than one notice of his/her voting to the Company, the earliest served to the Company shall govern except where the shareholder has expressed to withdraw the notice.

If the shareholder who has exercised his/her voting right in writing or electronically wishes to attend the Shareholders' Meeting in person, the shareholder shall have the notice of withdrawal of his/her voting served to the Company by the same method as he/she exercised his/her voting right (in writing or electronically) no later than two days before the scheduled meeting date or his/her voting indicated in the notice served to the Company shall govern. Where the shareholder has exercised his/her voting right in writing or electronically has designated a proxy to act in his/her stead at the meeting, the voting exercised by the proxy in his/her stead shall govern.

Article 17

Except as otherwise provided by the Company Act, the resolution of the Shareholders' Meeting must be adopted by the majority votes represented at the meeting. When a proposal is submitted for voting by the meeting, the chairperson or the relevant personnel appointed by the chairperson shall announce in advance the total amount of votes accountable to be voted on the issue and the number of approval votes, disapproval votes and waivers each shall be published on the M.O.P.S. on the day following the end of the Shareholders' Meeting.

Where of the same issue is proposed a revision and a replacement, the chairperson shall

determine the order of the voting on the three proposals: the original as proposed, the original with the revision proposed and the proposed replacement respectively. Once the resolution is adopted on one of the three proposals, the others shall be deemed denied without voting.

The personnel to supervise the voting and count the ballots voted shall be appointed by the chairperson, provided that the personnel to supervise the voting must be the shareholder(s) of the Company.

The ballots voted either for adopting a resolution or election shall be openly counted at the meeting and the result of the voting (including the calculation of the ballots) shall be forthwith announced upon completion of the counting of the ballots and recorded in the meeting minutes.

Article 18

The election (if any) of the director(s) and/or supervisor(s) of the Company at the Shareholders' Meeting shall be in accordance with the relevant bylaw of the Company and the result of the election shall be announced at the meeting including the name of each director elect, each supervisor elect and the amount of votes for them each.

The ballots voted on the election provided in the preceding paragraph shall be sealed and signed by the voting-supervising personnel and property kept for a period of at least one year. Notwithstanding, in the event of any shareholder's action initiated under Article 189 of the Company Act, the ballots shall be kept through the action concluded with a final judgment with binding effects.

Article 19

The resolutions adopted by the Shareholders' Meeting shall be recorded in writing, which meeting minutes shall be signed or sealed by the chairperson and distributed to the shareholders each within twenty (20) days after the meeting. The meeting minutes may be produced and distributed electronically.

The Company may distribute the above meeting minutes to the shareholders by public notice on the M.O.P.S.

The meeting minutes shall accurately indicate the year, month, date, the venue, name of the chairperson, method of adopting resolutions, the gist of the proceeding and the conclusion of the meeting and kept by the Company throughout the existence of the Company.

Article 20

The Company shall calculate and compile a statement on the number of shares to be represented at the meeting by the proxy solicitors and the proxies respectively and have the statement produced manifestly displayed at the meeting in accordance with the required form and substance.

The Company shall have the resolutions adopted by the Shareholders' Meeting published through the Market Observation Post System within the required time period, which resolutions are by definition important information under the relevant laws and regulations or required by the Taiwan Stock Exchange Corporation (Nonprofit Organization Gre Tai Securities Market).

Article 21

The meeting affairs personnel working at the Shareholders' Meeting shall each wear a working staff identification badge or arm-band indicating so.

The chairperson may direct the order-maintaining working personnel or the security guards to assist in maintaining the order of the meeting, who shall each wear a badge or arm-band indicating Order-maintaining Personnel.

The chairperson may act to cease the shareholder who speaks out at the meeting by using whatever equipment other than the loud speaker facility the Company has prepared for the meeting.

The chairperson may direct the order-maintaining personnel or the security guard to usher out of or remove from the venue of the meeting the shareholder who acts in violation of the rules for the meeting or interrupts the proceeding of the meeting and refuses to rectify his/her conduct after being advised to do so by the chairperson.

Article 22

The chairperson may announce to recess the meeting in the process of the meeting. In the event of force majeure, the chairperson may decide to temporarily suspend the meeting and, if necessary, announce the time when the meeting shall be resumed.

The Shareholders' Meeting may adopt the resolution to continue the meeting elsewhere if the venue should become unavailable before the agenda of the meeting (including extempore motions) is duly concluded.

The Shareholders' Meeting may adopt the resolution under Article 182 of the Company Act to postpone or continue the meeting within five (5) days.

Article 23

Provisions of these Rules applicable to Supervisors shall apply to the Audit Committee of the Company (if any) with necessary and appropriate alterations.

Article 24

These Rules and all subsequent amendments shall come into force on the relevant resolution adopted by the Shareholders' Meeting.

Exhibit 2

ScinoPharm Taiwan, Ltd. Rules Governing Election of Directors And Supervisors

Most Recent Amendment adopted by the 23 June 2015 Shareholders' Meeting

Article 1

These Rules are established under Articles 21 and 41 of the Corporate Governance Best Practice Principles for Publicly Listed And Traded-Over-The-Counter Companies with a view to the open, just and just elections of the directors and supervisors of the Company.

Article 2

Except as otherwise provided by laws, regulations or the Articles of Incorporation of the Company, the directors and supervisors of the Company shall be elected in accordance with these Rules.

Article 2-1

Provisions of these Rules applicable to Supervisors shall apply to the Audit Committee of the Company (if any) with necessary and appropriate alterations.

Article 3

The directors of the Company shall be elected in consideration of the functions and duties of the Board of Directors as a whole. The Board of Directors shall be formed by members of diversified backgrounds to enable the making of appropriate directives and policies to meet the needs of managing its operation and the type of business operation and development of the Company, for which purpose, the qualification of the candidate in, among others, the following two major aspects shall be considered:

1. Basic qualification and values: gender, age, nationality and cultural background; and
2. Special knowledge and skill: special background (such as legal, accounting, fields of industry, financial, marketing or technology), special skill and practical industrial experience.

The members of the Board of Directors must be generally equipped with the relevant knowledge, skill, education and training needed for them to perform their functions and duties. The members of the Board of Directors as a whole must have the general ability to

1. make business judgments and decisions;
2. conduct fiscal and financial analyses;
3. carry out and manage the business of the Company;
4. deal with crisis;
5. get hold of the relevant knowledge about the industries;
6. perform functions and duties from a global perspective;
7. exercise leadership skill; and
8. make policy decisions.

The majority of the directors must not be the spouse or a relative within the second degree of kinship to another among themselves.

Article 4

The supervisor of the Company must

1. be honest and have integrity;
2. be able to make fair and just judgment;
3. have special knowledge;
4. have extensive experience;
5. be able to read financial statements;

Subject to the fulfillment of the above eligibility requirements, the Company will have at least one supervisor who must be a professional in the field of accounting or finance.

The impartiality of the supervisor must be verified in accordance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies with a view to strengthening the risk management and financial, operational control.

There must be one or more members among the supervisors themselves or among the supervisors and the directors themselves who is not the spouse or a relative within the second degree of kinship to another supervisor or director.

No supervisor of the Company shall serve a concurrent office of the director, managerial officer or any other position of employment; and, in consideration of efficient supervisory control, there must be at least one from among the supervisors who has his/her domicile within the country.

Article 5

The independent director of the Company must fulfill the eligibility requirements provided in Articles 2, 3 and 4 of the Regulations Governing Establishment of Independent Directors by Public Companies.

The election of the independent director of the Company shall be in accordance with Articles 5, 6, 7, 8 and 9 of the Regulations Governing Establishment of Independent Directors by Public Companies and Article 24 of the Corporate Governance Best Practice Principles for Publicly Listed And Traded-Over-The-Counter Companies.

Article 6

The directors and supervisors of the Company shall be elected based on nomination in accordance with Article 192-1 of the Company Act. For the purpose of investigating the qualification, academic and practical background of the candidates to be appointed the directors, supervisors of the Company and whether or not the provision of Article 30 of the Company Act shall invoke to operate, no additional written evidence of qualification shall be produced without authorization. The result of the investigation must be presented to the shareholders for consideration for them to elect appropriate directors, supervisors for the Company.

Should for whatever reason the number of directors falls below 5, the Company shall have new directors elected by the upcoming Shareholders' Meeting. Notwithstanding, where the vacant offices of the directors account for 1/3 or the number specified in the Articles of Incorporation of the Company, the Company shall, within 60 days from the date of the occurrence, convene an Extraordinary Shareholders' Meeting to elect new directors to fill in the vacancies.

Where the number of independent directors falls short of the number provided in the provision of paragraph one, Article 14-2 of the Securities and Exchange Act and the relevant provision of the Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings, new independent directors shall be elected by the upcoming Shareholders' Meeting to fill the vacancies. Where all of the independent directors have been removed or discharged, an Extraordinary Shareholders' Meeting must be convened within 60 days of the occurrence to elect new independent directors.

Where for whatever reason the number of supervisors falls short of the number provided in the

Articles of Incorporation of the Company, new supervisors shall advisably be elected by the upcoming Shareholders' Meeting to fill the vacancies. Notwithstanding, where all of the supervisors have been removed or discharged, an extraordinary Shareholders' Meeting must be convened within 60 days of the occurrence to elect new supervisors to fill in the vacancies.

Article 7

The nominated cumulative voting system shall be adopted for the election of the directors and the supervisors of the Company:

The shareholder will have the same amount of votes entitled on each share held as the number of the directors, supervisors to be elected, which votes may be cumulated and cast for a single candidate or distributed among a plurality of candidates.

The Company adopts the candidates' nomination system for the election of the independent director. The shareholders will elect from among the candidates nominated.

The election of the independent director and the non-independent directors shall be held jointly with the number of the elect to be counted separately in accordance with the Articles of Incorporation of the Company and these Rules.

Article 8

The Board of Directors shall prepare the ballot forms in the same amount as the number of the directors and supervisors to be elected, indicate there in the number of votes entitled, and distribute them to the shareholders present at the Shareholders' Meeting. For the purpose of registering the votes cast, the shareholder's attendance card number may be recorded instead of his/her personal name.

Article 9

Subject to the number of directors and supervisors provided in the Articles of Incorporation of the Company, the votes cast for the election of the independent directors and non-independent directors shall be counted separately and the elect shall be determined and prioritized according to the number of votes won. In case of a tied vote while the number of open positions falls short of the tied candidates, the elect shall be determined by lot drawing by the tied candidates or by the chairperson on behalf of the candidate who is for whatever reason not present at the meeting.

Article 10

The chairperson shall, prior to the election, appoint a number of shareholders to act as the scrutineers and the ballot counters at the election. The ballot boxes shall be prepared by the Board of Directors and openly inspected by the scrutineers before the voting commences.

Article 11

The shareholder voter shall indicate in the ballot form the shareholder candidate's shareholder account name and shareholder account number or the personal name and identification number of the non-shareholder candidate. Notwithstanding, where the candidate voted is a government agency or corporate shareholder, the shareholder voter may indicate in the ballot form the candidate's official designation with or without the personal name of its representative; where such voted candidates has a plurality of representatives, all of the representatives' personal names shall be indicated in the ballot form.

Article 12

The vote cast shall be void if

1. the ballot is not cast in the authorized ballot form prepared by the Board of Directors;
2. the ballot cast is blank;
3. the ballot is unintelligible or in any way altered;
4. the personal name or the shareholder account number of the shareholder candidate voted indicated in the ballot is inconsistent with that recorded in the shareholders roster; or the name or identification number of the non-shareholder candidate voted is untrue;
5. the ballot cast bears any word other than the voted (shareholder) candidate's personal name and (shareholder account) identification number; or
6. the (shareholder) candidate's personal name indicated in the ballot is identical with that of another (shareholder) candidate but there is no (shareholder account number) identification number available to determine the candidate voted.

Article 13

The votes cast will be opened and counted on site upon completion of the voting and the chairperson shall announce the election result on site by reading out, among others, the names of the directors and supervisors elect as well as their votes.

The ballots provided in the preceding paragraph shall be sealed and signed by the ballot examiner and safely kept for at least one year and up through the conclusion of the action (if any) initiate by the shareholder of the Company under Article 189 of the Company Act.

Article 14

The Board of Director will issue a certificate of election to the directors and/or supervisors elect each.

Article 15

These Rules and all subsequent amendments shall come into force on the relevant resolution adopted by the Shareholders' Meeting.

Exhibit 3

ScinoPharm Taiwan, Ltd. Articles of Incorporation

Chapter 1 General Provisions

Article 1

The Company is duly organized under the Company Act of the Republic of China (Taiwan) as a company limited by shares and named ScinoPharm Taiwan, Ltd.

Article 2

The business items of the Company are as follows:

- (1) C802041 Manufacture of pharmaceuticals;
- (2) C801990 Manufacture of other chemical materials;
- (3) IG01010 Biotechnological services;
- (4) F601010 Intellectual property rights related services
- (5) F401010 International trade.

<<1. Research, development, production, manufacture and distribution of the following products: (1) generic APIs, (2) protein drugs, (3) oligonucleotide, (4) peptide, (5) injection formulation, (6) small-molecule new drugs.

2. Consulting, advisory and technical services relating to the above products.

3. International trade in connection with the above products.>>

Article 3

The Company having its head office established at the Southern Taiwan Science Park may, where necessary, set up branch offices and representative offices at home or abroad in accordance with the relevant resolution adopted by the meeting of the Board of Directors subject to the approval of the competent authority.

Article 4

Subject to the resolution adopted by the meeting of the Board of Directors, the Company may act as guarantor pursuant to the Company's relevant policy in consideration of meeting business needs.

Article 5

The total amount of investments made the Company may account for 40% or more of the paid-in capital of the Company irrespective of the limitation provided in Article 13 of the Company Act, provided that the investments must be in accordance with the relevant resolution adopted by the meeting of the Board of Directors.

Chapter 2 Capital

Article 6

The Company has Ten Billion New Taiwan Dollars (TWD10,000,000,000) in authorized capital divided into one billion shares (1,000,000,000) with a value of Ten New Taiwan Dollars each (TWD10) to be issued in separate batches by the Board of Directors authorized to do so with a total of 7,000,000 shares to be reserved for issuance of stock option certificates.

Article 7

All of the shares of the Company are registered shares each bearing the signature or seal of three or more Directors of the Company and shall be issued upon certification thereof by the competent authority or its authorized registrar. The Company may elect not to produce the share certificate on the shares issued, provided that the Company must complete the registration of the issued shares with the securities central depository institution.

Article 8

All of the shares of the Company are registered shares. The individual shareholder will have his/her personal name and address and the corporate shareholder will have its corporate designation and its legal representative's personal name and address recorded in the Company's shareholders' roster. Joint shareholders of the share (if any) shall elect one among themselves for the purpose of the above recordation in the shareholders' roster.

Article 9

The shareholder or the legal holder of the share certificate lost or destroyed shall make a report to the police upon information of the loss or destruction and fill out the relevant request form to have the loss or destruction of the share certificate registered with the Company. The shareholder or the legal holder shall at the same time file a request with the competent district court to have a relevant public notice made pursuant to the Taiwan Code of Civil Procedure and present the court judgment on the exclusion of rights in the share(s) affected to the stock affairs agency of the Company to request for re-issuance of the share certificate.

Article 10

The stock affairs agency of the Company may collect reasonable procedural charges on each request for re-issuance of share certificate on account of the transfer, division of the share or the loss, damage or destruction of the share certificate.

Article 11

The shareholder shall disclose his/her/its legal name and address of his/her/its domicile to the stock affairs agency of the Company and fill out and deliver the specimen card of his/her/its seal to the Company for record.

Except as otherwise provided by the relevant laws, orders or securities related regulations, the public offering of the shares of the Company shall be in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies.

Article 12

The shareholder who lost his/her/its seal the specimen of which is imprinted in the seal specimen card kept by the Company for record shall give a written notice to the Company upon information of the loss and issue a request to the stock affairs agency of the Company to have his/her/its new seal registered.

Article 13

Transfer of shares of the Company will cease for a period of thirty (30) days prior to the General Shareholders' Meeting, fifteen (15) days prior to the Extraordinary Shareholders' Meeting, and five (5) days prior to the start date of distribution of dividend, bonus or other interests in the shares held. Subject to the public offering of the Company, the Company shall cease the transfer of shares of the Company within a period of sixty (60) days prior to the General Shareholders'

Meeting and thirty (30) days prior to an Extraordinary Shareholders' Meeting.

Chapter 3 Shareholders' Meeting

Article 14

The meeting of the shareholders of the Company will be the General Shareholders' Meeting to be convened by the Board of Directors each year within six (6) months after the end of that fiscal year or an extraordinary Shareholders' Meeting to be duly convened from time to time when necessary.

Article 15

The meeting of the shareholders of the Company shall be convened in accordance with the Company Act, Securities and Exchange Act, and the relevant laws and regulations according to the public announcement or notice issued by the competent securities authority.

The notice of the meeting of the shareholders of the Company may be issued electronically on the consent of the shareholder.

Article 16

Except as otherwise provided by the Company Act, the Shareholders' Meeting must be attended by the shareholders whose total shares held represent the majority of the total issued shares of the Company. The resolution of the Shareholders' Meeting must be adopted by the majority of the votes represented at the meeting.

Article 17

Except those subject to restrictions or in one of events provided in Article 179 of the Company Act, the shareholder of the Company will have one vote on each share held.

The shareholder may cast his/her vote at the Shareholders' Meeting in writing or electronically in accordance with the Company Act and the laws, regulations established and orders issued by the competent securities authority.

Article 18

The shareholder who for whatever reason is unable to attend the Shareholders' Meeting in person may designate a proxy to attend and act in his/her stead at the meeting by executing the proxy letter form prepared by the Company specifying the scope of authorization to the proxy. The proxy designated may be a non-shareholder of the Company. Subject to the public offering of the Company, designation of proxies for the purpose of the Shareholders' Meeting of the Company shall be in accordance with the Regulations Governing Use of Proxy Letters to Attend the Shareholders' Meetings of Public Companies.

Article 19

The meeting of the shareholders of the Company shall be convened by the Board of Directors and presided by the Chairman/Chairwoman of the Board of Directors. If he/she has requested for leave from the meeting or is for whatever reason unable to attend and exercise his/her powers and duties at the meeting to, the Chairman/Chairwoman shall designate a Director to act in his/her stead. Absent the above designation by the Chairman/Chairwoman, the Directors shall elect one from among themselves to act as the chairperson of the meeting. Where the Shareholders' Meeting is not convened by the Board of Directors, the meeting shall be presided

by the person who convened the meeting.

Except as otherwise provided by the Company Act or the relevant laws and regulations, the Shareholders' Meeting of the Company must be attended by the shareholders (attending the meeting in person or by proxy) whose total shares held represent the majority of the total issued shares of the Company and a resolution must be adopted by the majority of the votes represented at the meeting. A resolution may be deemed adopted when no objection or opposition is expressed by any of the shareholders present at the meeting in response to the chairperson's inquiry for opinion, which resolution shall be as effective and binding as one adopted by voting.

Article 20

The issues presented for discussion and/or resolution at the Shareholders' Meeting and the resolution adopted by the meeting shall each be recorded in the minutes of the meeting, which meeting minutes must be signed or sealed by the chairperson and a copy of which shall be distributed to the shareholders of the Company each within twenty (20) days after the meeting. The above meeting minutes may be produced and distributed electronically. The minutes of the Shareholders' Meeting shall be kept by the Company together with the relevant signed attendance book and proxy letters received. The Company may distribute the above minutes of the Shareholders' Meeting electronically.

Article 21

Subject to the public offering of the Company, the Company may withdraw the public offering on and only on the relevant resolution adopted by the Shareholders' Meeting other than that adopted by the meeting of the Board of Directors.

Chapter 4 Directors

Article 22

Compensation to the Directors of the Company will be determined by the Board of Directors by reference to the common standards adopted by the trade home and abroad.

Article 23

The Company will have fifteen (15) Directors to be elected by the Shareholders' Meeting from the shareholders with disposing capacity.

Two or more of the above Directors shall be independent directors, and the total number of independent directors shall account for not less than one fifth (1/5) of the total number of directors.

Directors are to be elected by the Shareholders' Meeting from among the candidates nominated.

The special qualification, required shareholding, restriction on concurrent positions held, determination of impartiality, method of nomination and method of election of the independent directors and other relevant legally required matters shall be in accordance with the Company Act and the relevant laws and regulations prescribed by the competent securities authority.

Article 24

The Directors each of the Company will serve an office term of three years and may be re-elected; but the independent director shall serve in office for a term of not more than nine (9) years. Subject to the relevant resolution adopted by the meeting of the Board of Directors, liabilities insurance will be procured for the Director elect. Subject to the public offering of the Company, the total shareholding of the Directors and the Supervisors of the Company as a whole shall be in accordance with the Company Act and the regulations prescribed by the competent securities authority.

The Company has an Audit Committee formed by all of the independent directors under the Securities and Exchange Act. The establishment, functions, powers and authorities, rules for the meetings and other legal compliance matters of the Audit Committee shall be in accordance with the relevant regulations issued by the competent securities authority.

Article 25

The Directors shall elect one from among themselves to act as the Chairman/Chairwoman of the Board of Directors of the Company.

Article 26

The Chairman/Chairwoman of the Board of Directors shall externally represent the Company and internally preside the Shareholders' Meetings and the meetings of the Board of Directors.

Article 27

The meeting of the Board of Director shall be convened by the Chairman/Chairwoman of the Board of Directors except the first meeting of a new Board of Directors that shall be convened by the Director who won the highest vote of all Directors elect. A written notice of the meeting of the Board of Directors shall be issued by facsimile or by email to the Directors each at least seven (7) days prior to the scheduled meeting date, which notice shall explicitly indicate the scheduled date, venue and agenda of the meeting. In the event of urgency, the meeting of the Board of Directors may be convened at any time with or without the above notice being issued.

Article 28

The meeting of the Board of Directors shall be presided by the Chairman/Chairwoman of the Board of Directors. If he/she is for whatever reason unable to preside the meeting, he/she shall designate a Director to act in his/her stead. Absent the above designation, the Directors shall elect one from among themselves to preside the meeting in deputy.

Article 29

The Directors shall vote to approve or disapprove and exercise their powers and duties with respect to the matters proposed on the agenda at the relevant meeting of the Board of Directors which shall be convened at least once every quarter. Except as otherwise provided by the Company Act, the resolution with respect to the revision of these Articles of Incorporation as provided in subparagraph (1) below must be adopted by three fourths (3/4) or more of all of the Directors of the Company and with respect to other matters by two thirds (2/3) or more of all of the Directors of the Company:

- (1) Revision of these Articles of Incorporation.
- (2) Contract with a proposed value equal to or exceeding the relevant authorized amount (which authorized amount is to be defined by the Board of Directors authorized to do so).
- (3) Major capital expenditure not included in the relevant approved budget with a proposed sum

equal to or exceeding the relevant authorized amount (which authorized amount is to be defined by the Board of Directors authorized to do so), which proposed sum cannot be divided into smaller amounts to obtain easy approval and which proposed sum as approved cannot be divided for spending.

- (4) Establishment of company bylaws with respect to the handling of transactions where the Company is to externally provide guaranty, endorsement, accept to honor, commit, advance payments, provide lending, procure loan, sell account receivables.
- (5) Establishment and removal of branches and offices of the Company.
- (6) Investment in, merge or acquire other businesses.
- (7) Transfer, assignment, sale, lease, pledge, mortgage or otherwise dispose of the entire assets or important assets of the Company.
- (8) Transaction by and between the Company and its affiliate or the shareholder, director of the Company or their relative.
- (9) Approval and revision of agreements proposed on transfer or licensing of technology, know-how or patent right.
- (10) Approval and revision of trademark license agreement with an effective term of one year or more.
- (11) Proposed earnings distribution plan (or loss makeup plan).
- (12) Review and approval of proposed budgetary plan and final accounting.
- (13) Proposed increase or decrease in the capital of the Company.
- (14) Proposed operation plan; proposed factory construction or expansion projects.
- (15) Appointment, re-appointment and dismissal of the certified public accountant, legal counsel of the Company and the lead underwriter and secondary underwriter handling the public listing or over-the-counter trading of the shares of the Company.
- (16) Appointment and dismissal of the general manager of the Company.
- (17) Establishment of the bylaws with respect to the powers and authorization to be exercised by the Chairman of the Board of Directors and the general manager respectively.
- (18) Establishment of bylaws with respect to the hiring, promotion of employees and the salary payment policy.
- (19) Other bylaws with respect to the organization of the Company and the relevant implementation rules.
- (20) Other matters proposed that must be duly submitted to the Shareholders' Meeting for approval.

Article 30

The Director may issue a written proxy to designate another Director to attend the meeting of the Board of Directors and exercise his/her voting right on all proposed matters at the meeting in his/her stead; provided that a Director may act as the proxy for one and only one of the other Directors.

Article 31

The resolutions adopted by the meeting of the Board of Directors shall be recorded in the minutes of the meeting, which meeting minutes must be signed or sealed by the Chairman of the Board of Directors or the chairperson of the meeting with a copy thereof distributed to the Directors each. The meeting minutes shall be kept by the Company together with the relevant attendance book and written proxies received.

Article 32

The functions, powers and duties exercised by Supervisors under the Company Act, Securities

and Exchange Act and other laws and regulations shall apply to the Audit Committee with necessary and appropriate alterations upon the establishment of the Audit Committee.

Article 33

The Company may establish various functional boards or committees under the relevant organization rules to be prescribed by the meeting of the Board of Directors in accordance with the relevant laws and regulations.

Article 34

The Board of Directors may have a number of secretaries or assists to take charge of keeping the minutes of the meetings of the Board of Directors and the Shareholders' Meetings and all of the important documents, contracts, agreements and instruments of the Company.

Article 35

The Company shall be liable and reimburse for the loss incurred in the course of the Director's performance of his/her functions and duties, which loss is not attributable to the same Director. For the purpose of protecting the Company from the above liability, the Company shall procure liabilities insurance for the Directors each by reference to the coverage commonly adopted by the trade home and abroad.

Chapter 5 Managerial Officers

Article 36

The Company may have a general manager a number of deputy general managers and managers. The general manager and the deputy general manager shall be appointed / dismissed by the meeting of the Board of Directors. The managers each shall be appointed / dismissed by the general manager, which appointment / dismissal shall be reported to the Board of Directors for reference.

Article 37

The general manager acting in accordance with the instruction of the Chairman of the Board of Directors shall take general charge of the day-to-day affairs of the Company and supervise, carry out and manage the operation of the Company.

Article 38

The Company shall be held liable and reimburse for the loss incurred in the course of the general manager's and the deputy general manager's performance of their functions and duties, which loss is not attributable to him/her. For the purpose of protecting the Company from the above liability, the Company shall procure liabilities insurance for the general manager and the deputy general manager each by reference to the coverage commonly adopted by the trade home and abroad.

Chapter 6 Fiscal Reports

Article 39

The Company shall produce and present the following statements and documents after the end of each fiscal year to the meeting of the Board of Directors for adoption and thereafter to the General Shareholders' Meeting for ratification:

(1) Business report.

- (2) Financial statements.
- (3) Proposed earnings distribution plan or loss makeup plan.

Article 40

Should the Company earn surpluses within the current term, at least two percent of surpluses should be set aside for employee compensation, and no more than two percent of surpluses should be set aside for director compensation. However, if the Company has accumulated losses, surpluses should be held in reserve to make up said loss.

The surpluses within the current term of the previous paragraph refer to pre-tax profits prior to deduction of employee and director compensation.

Recipients of employee compensation include employees subordinate to the Company that comply with certain conditions.

Article 41

In consideration of the changeable environment of the Company's business, the Board of Directors shall take into account the Company's future capital expenditures and capital calls to determine the proposed amounts of reserved earnings, the distributable earnings, and the cash dividends when drawing up the proposed earnings distribution plan. Ten percent (10%) of the Company's surplus as of the final accounting of the fiscal period net of the business income tax payable for the period, makeup for losses accumulated from previous year(s), shall be allocated for legal reserves. The balance (if any), less the duly allocated or transferred amount for special reserves, the sum of said balance combined with the undistributed earnings carried forward from the previous period will be the accumulative earnings distributable for the term, and fifty to one hundred percent (50%~100%) of which sum will be the total amount of dividend to be distributed to the shareholders of the Company with 30% or more thereof distributed in cash. Subject to the relevant resolution adopted by the Shareholders' Meeting, the accumulative earnings distributable will be distributed according to the distribution plan proposed by the Board of Directors.

Chapter 7 Supplemental Provisions

Article 42

Matters not addressed herein shall be in accordance with the Company Act of the Republic of China (Taiwan) and the relevant laws and regulations prescribed and announced by the competent authority.

Article 43

These Articles of Incorporation established on October 16, 1997, have been revised as follows: 1st revision of March 17, 1998, 2nd revision of April 7, 1999, 3rd revision of July 21, 2000, 4th revision of December 3, 2001, 5th revision of June 13, 2002, 6th revision of March 13, 2003, 7th revision of June 30, 2003, 8th revision of June 30, 2003, 9th revision of May 14, 2004, 10th revision of June 3, 2005, 11th revision of October 3, 2005, 12th revision of February 15, 2006, 13th revision of June 7, 2006, 14th revision of June 18, 2009, 15th revision of September 25, 2009, 16th revision of April 29, 2010, 17th revision of December 9, 2010, 18th revision of June 13, 2012, 19th revision of June 21, 2013, 20th revision of June 18, 2014 and 21st revision of June 27, 2016.

ScinoPharm Taiwan, Ltd.
Chih-Hsien Lo
Chairman of the Board of Directors

Exhibit 4

The Impact of Stock dividend issuance on Business Performance, EPS, and Shareholder Return Rate

Item		Year	2018
Actual Capital at Beginning of Term (NTD)			7,907,392,220
Stock and dividend distribution (Note 1)	Cash dividends per share (NTD)		0.48
	Stock dividends for retained earnings transferred to capital (stocks)		-
	Stock dividends for capital surplus transferred to capital (stocks)		-
Changes in business performance	Operating profits		Not applicable (Note 2)
	Year over year growth of operating profits		
	Net profit after tax		
	Year over year growth of net profit after tax		
	Earnings per share		
	Year over year growth of earnings per share		
	Average annual ROI (inverse of average annual PE ratio)		
Pro forma earnings per share and PE ratio	If stock dividends for retained earnings transferred to capital were replaced by cash dividends	Pro forma earnings per share	Not applicable (Note 2)
		Pro forma average annual ROI	
	If capital surplus was not transferred to capital	Pro forma earnings per share	Not applicable (Note 2)
		Pro forma average annual ROI	
	If capital surplus was not transferred to capital and stock dividends for retained earnings transferred to capital were replaced by cash dividends	Pro forma earnings per share	Not applicable (Note 2)
		Pro forma average annual ROI	

Note 1 : Pending resolution by 2018 Annual General Shareholders' Meeting.

Note 2 : The Company didn't disclose 2018 financial forecasts, therefore the Company is not required to disclose yearly forecast information.

Exhibit 5**Required Minimum and Actual Shareholding data by Directors**

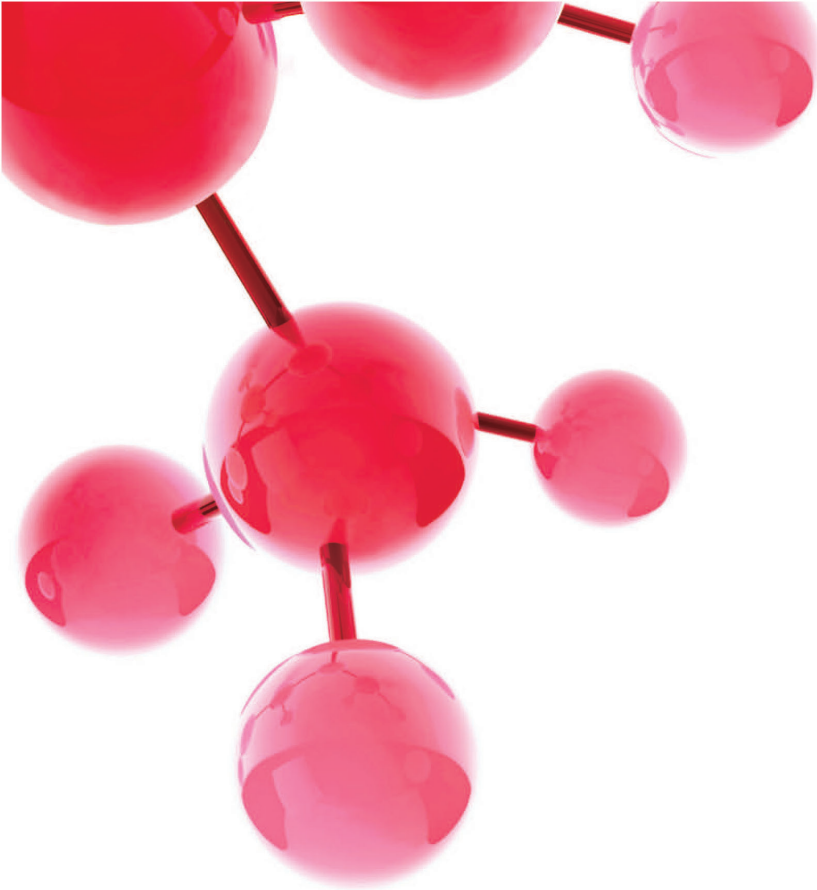
1. According to Article 26 of the Securities and Exchange Act, the total amount of shares held by the directors of the Company as a whole shall account for no less than 25,303,655 shares.
2. According to the Company's shareholders register as of the suspension of transfer of the shares of the Company for this General Shareholders' Meeting, the shareholding of the directors each is detailed as follows:

As of April 29, 2018

Title	Name	Amount of shares held
Chairman of the Board of Directors	Uni-President Enterprises Corp. Representatives: Chih-Hsien Lo	299,968,639
Director	Uni-President Enterprises Corp. Representatives: Tsung-Ming Su , Kun-Shun Tsai, Tsung-Pin Wu, Jia-Horng Guo Yung-Fa Chen	299,968,639
Director	National Development Fund, Executive Yuan Representatives: Po-Wu Gean, Ming-Shi Chang	109,539,014
Director	Tainan Spinning Co., Ltd. Representative: Po-Ming Hou	23,605,921
Director	Kao Chyuan Investment Co., Ltd. Representative: Shioh-Ling Kao	14,832,733
Director	President International Development Corp. Representative: Chiou-Ru Shih	28,673,421
Director	Taiwan Sugar Corporation Representative: Kuo-His Wang	32,581,963
Independent Director	Wei-Cheng Tian	102,141
Independent Director	Ih-Jen Su	—
Independent Director	Wei-Te Ho	—
Total		509,303,832

Notes:

- (1) Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies stipulates that "if a public company has elected two or more independent directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all directors and supervisors other than the independent directors shall be decreased by 20 percent."
- (2) As the Company has set up an audit committee, provisions with regard to minimum shareholdings required of supervisors are not applicable.



ScinoPharm

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