

2020 Annual General Shareholders' Meeting Meeting Handbook (Translation)

June 30, 2020 Stock Code 1789

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ScinoPharm Taiwan, Ltd. Handbook for the 2020 Annual General Shareholders' Meeting

I. Meeting Agenda

Time: 10:00a.m., Tuesday, June 30, 2020 Place: Wellness Center STSP Address: No. 20, Sec. 2, Huandong Rd., Shanhua Dist., Tainan City 741, Taiwan

1. Announcement of Meeting in Session (following the announcement of shares represented at the meeting)

2. Chairman's Address

3. Report Items

- (1) 2019 Business Report.
- (2) Audit Committee's Review Report on 2019 Financial Results.
- (3) 2019 Compensations for Employees and Directors.
- (4) Proposed Amendments to the Rules of Procedure for Board of Directors Meeting of the Company.

4. Ratification Items

- (1) Ratification of 2019 Business Report and Financial Statements.
- (2) Ratification of the Proposed Distribution of 2019 Earnings.

5. Matters proposed for discussion and resolution

- (1) Proposed Amendments to the Articles of Incorporation of the Company.
- (2) Proposed Amendments to the Rules Governing Election of Directors and Supervisors of the Company.
- (3) Proposed Amendments to the Rules of Procedures for Shareholders' Meeting of the Company.
- (4) Proposed release of Director's Non-Compete Restrictions.

6. Extemporary motions

7. Meeting adjourned

II. Proposals

1. Report Items

(1) 2019 Business Report.

Explanation: The business report for 2019 is attached as Appendix 1 on page 6 ~7.

(2) Audit Committee's Review Report on 2019 Financial Results.

Explanation: The Audit Committee Review Report is attached as Appendix 2 on page 8.

(3) 2019 Compensations for Employees and Directors.

Explanation:

- a. The remuneration distribution for employees and directors on 2019 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 employees' compensation, and no more than two percent of surpluses should be set aside set aside for directors' compensation...".
- b. According to the Articles of Incorporation, the employees' compensation for 2019 was NT\$24,651,373, making up 8.99% of the year's profits; directors' compensation was NT\$2,942,121, making up 1.07% of the year's profits; all compensation was distributed in cash. The aforementioned amounts differed from budgeted amounts by 0 for employees' compensation and NT\$-899,916 for directors' compensation. The difference was caused by the changes in accounting estimates and will be listed as profit or loss in year 2020.
- (4) Proposed Amendments to the Rules of Procedure for Board of Directors Meeting of the Company.

Explanation:

- a. Based on the "Regulations Governing Procedure for Board of Directors Meeting of Public Companies" publicized by the Financial Supervision Commission, FSC No. 1080361934, on Jan. 15, 2020, revised the company's Rules of Procedure for Board of Directors Meeting accordingly.
- b. In line with revision of Company Act on Aug. 1, 2018, instituted the regulation that the meeting of the board of directors can be convened by over half of directors themselves and chaired by one selected by the directors themselves, as well as the regulation that in case spouse or direct blood relative within second degree of kinship of directors or companies with control or subordinate relationship with directors have related interest with the aforementioned items of the meeting, the directors are regarded to have related interest with the items.
- c. Please refer to Appendix 3(page 9~11) of the Meeting Handbook of Contrast Table of the Rules of Procedure for Board of Directors Meeting of the Company.

2. Ratification Items

(1) Ratification of 2019 Business Report and Financial Statements. (Proposed by the Board)

Explanation:

- a. The 2019 Parent and Consolidated Financial Statements for 2019 of the Company as adopted by the March 20, 2020 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 Committee's Review Reports duly issued.
- b. Please see Appendix 1 (at Page 6~7) and Appendices 4~5(at Page 12~33) for the Business Report, Auditors' Reports, parent and consolidated financial statements.

Resolution:

(2) Ratification of the Proposed Distribution of 2019 Earnings. (Proposed by the Board)

Explanation:

- a. The 2019 Profit Allocation Proposal is attached as Appendix 6 on page 34.
- b. The Company's distributable earnings for 2019 are NT\$423,682,655. The cash dividend to be distributed is NT\$0.27 per share. Upon the approval of the General Shareholders' Meeting, it is proposed that the Board of Directors be authorized to resolve the ex-dividend date, payment date, and adjust the dividends to be distributed to each share based on the number of actual shares outstanding on the record date for distribution.
- c. Cash dividends paid to each individual shareholder will be rounded down to the nearest dollar. Fractional shares with a value less than one dollar are accumulated and reported as the Company's other income.

<u>Resolution</u>

3. Discussion Items

(1) Proposed Amendments to the Articles of Incorporation of the Company.(Proposed by the Board)

Explanation:

- a. In line with revision of the "Act for Establishment and Administration of Science Park", promulgated by the President, decree No. 10700061001, on June 6, 2018, The "Science Industrial Park" had renamed as "Science Park". The inclusion of requirement for taking out liabilities insurance for directors into "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies," plus consideration of practical operation, revised the Articles of Incorporation.
- b. Please refer to Appendix 7(page 35~36) of the Meeting Handbook of Contrast Table of the Articles of Incorporation of the Company. For the entire original Articles of Incorporation ahead of revision, please see Exhibit 1 (Pages 53~60).

Resolution:

(2) Proposed Amendments to the Rules Governing Election of Directors and Supervisors of the Company. (Proposed by the Board)

Explanation:

- a. In line with removal of the regulation on screening of director nominees by the board of directors in article 192-1 of Company Act and substitution of independent directors for supervisors, plus consideration of practical operation, revise the company's Rules Governing Election of Directors and Supervisors.
- b. Major revisions include change of "Rules Governing Election of Directors and Supervisors" to "Rules Governing Election of Directors" removal of the passage related to supervisors and removal of screening of director nominees by the board of directors, revision of some text in line with the institution of e-voting.
- c. Please refer to Appendix 8(page 37~43) of the Meeting Handbook of Contrast Table of Rules Governing Election of Directors of the Company. For the entire original Rules Governing Election of Directors of the Company, please see Exhibit 2 (Page 61~64).

Resolution:

(3) Proposed Amendments to the Rules of Procedures for Shareholders' Meeting of the Company. (Proposed by the Board)

Explanation:

 a. According to revised "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders' Meeting," publicized by Taiwan Stock Exchange, decree No. 1080024221, on Jan. 2, 2020, plus in consideration of practical operation, revised Rules of Procedures for Shareholders' Meeting of the Company.

- b. Major revisions include enumeration and explanation of main reasons of the convening of shareholders' meeting, ban on change of the starting date for the term of new directors via extempore motion or other motion following completion of reelection in the same shareholders' meeting, resolution via case-by-case voting in shareholders' meeting, disclosure of the amount of weighted votes for every candidate.
- c. Please refer to Appendix 9(page 44~48) of the Meeting Handbook of Contrast Table of Rules of Procedures for Shareholders' Meeting of the Company.
- d. For the entire original Rules of Procedures for Shareholders' Meeting of the Company, please see Exhibit 3(Page 65~71).

Resolution:

(4) Proposed release of Director's Non-Compete Restrictions. (Proposed by the Board)

Explanation:

- a. According to the Article 209 of Company Act, any director acting for himself/herself, or for any other person within the scope of the Company business, should provide the shareholders' meeting with explanations about any important matters of such acts and should acquire the approval of the Shareholders' Meeting.
- b. It is proposed to seek approval in the General Shareholders' Meeting allowing directors (including Independent directors) and their representatives to engage in acts of competition under Article 209 of Company Act, thus be released during their terms from the competition restriction (provided that there is no damage to the interests of the Company).
- c. Details of the duties subject to directors (including independent directors) from non -competition are attached as Appendix 10(page 49~52).

Resolution:

4. Extemporary motions

5. Meeting adjourned

III. <u>Appendices</u> Appendix <u>1</u>

Letter to Shareholders

Dear Shareholders,

2019 marks the year when ScinoPharm examined its operations as a whole in order to make adjustments that better reflect the current situation and developments in the future of ScinoPharm and to cope with ongoing acquisitions and mergers among pharmaceutical companies around the world and the structural change in the ecology of the pharmaceutical industry internationally nowadays. An overview of the performance last year reveals that the operational development of ScinoPharm has stabilized, which is in favor of the Company continuing to make robust investments that help strengthen its own R&D capabilities and precisely keeping track of the market share of existing products. ScinoPharm has also been more proactively facilitating precise fulfillment at the implementation level of the integration of strategies for managing internal resources. On the other hand, the development timeframe of new products has been precisely kept track of to create inside out a complete network to cope with challenges and to be sufficiently prepared for expected fierce competition.

The consolidated revenue of the Company in 2019 was NT\$ 2.893 billion, with an after-tax net profit of NT\$217 million and the earnings per share after tax was NT\$0.27. As of the end of 2019, the paid-in capital size was NT\$7.907 billion and shareholders' equity NT\$10.26 billion accounting for around 88% of the overall assets of NT\$11.67 billion. The long-term capital was 2.47 times the fixed assets and the current ratio was 7.29 times. The financial condition appeared to be structurally sound and steady.

Continuous Devotion to API Market to Secure Existing Market Position

In terms of the sales of APIs last year, Japanese customers had increased demand for APIs in the preparation for launch and it contributed to a significant increase in the revenue from Japan. This indicates the preliminary accomplishments made by ScinoPharm Taiwan after years of management on Japan's market. The performance of existing APIs for the Generic Drug in the United States and Canada market appeared to be relatively weak, mainly because of the market forecast made by customers about the future turning conservative given the fierce competition among the various generic drugs available after the patents of their primary products expired; the current inventory and stock safety level is accordingly adjusted down. In addition, the sales of primary API products were directly or indirectly impacted by the ongoing integration of related internal resources and the allocation of production lines for multiple super-acquisitions and mergers taking place among international pharmaceutical companies. Before such acquisition and merger procedures are completed, existing production plans are slowed down. The sale of APIs is the cornerstone of ScinoPharm; they account for at least two-thirds of the overall sales each year on average. Faced with the challenges on the market, ScinoPharm insists on marching forward robustly, realistically, and step by step and on securing its current API market share without stop in order to stabilize the overall operation of the Company. In terms of outsourced R&D and outsourced manufacturing of new drugs, the performance last year showed relatively large fluctuations. For the new antibiotic product, due to the sufficient preparatory stock prior to marketing and the yet-to-be-formed medication habits of users, there was no significant shipping demand. Due to the unsuccessful accession into the US market, on the other hand, the future developments of the intermediate product that is to be used in new drugs remain unclear and the demand has hence slowed down.

Cumulative R&D Momentum for Highly Complex Products to Drive Development of Injection Business

Specializing in the development of highly complex and high-entry-level products is one of the important competencies for ScinoPharm take initiatives on the market. This specialization is applied simultaneously in the development of the injection business, too. Forsaprepitant Dimeglumine, an injectable formulation, developed in collaboration with Baxter as antiemetic medication for chemotherapy patients has been approved by the U.S. Food and Drug Administration (US FDA) and became an application to receive First Cycle Approval, demonstrating ScinoPharm's abilities in developing sterile injectable formulations. Another anti-coagulant spontaneously developed by ScinoPharm, Fondaparinux, has also entered the preparation stage for marketing. The product features a very complex manufacturing process.

ScinoPharm is one of the few manufacturers around the world that is capable of providing one-stop integrated service from APIs to the development of preparations for complex injectable business. ScinoPharm now has 3 preparations for injection and the revenue brought about has shown multiplied growths, which is proof of completion of transformation.

Integration of Utilization and Management of Internal Resources to Further Optimize Operational Efficacy

The overall operational efficacy is enhanced through internal management by combining the strengths of the Tainan Plant and the Changshou Plant of ScinoPharm. Gradually improved operational status at Changshou Plant: Besides looking for partners with whom the specialties and strengths of each other may be combined to multiply the benefits brought about by the partnership, in response to the economic development and the implementation of medical reformation policies in China, ScinoPharm (Changshu) will now work to secure the vast opportunities available on the medicinal market of China with its guality that is internationally approved in the US and the Japan through establishment inspections carried out the local governing authorities and with its compliant qualitative regulatory strengths in terms of environment, safety, and health. In the future, in its product selection strategy, ScinoPharm will continue to deploy vertically integrated injection products, including small-molecule and peptide-based APIs. In the business of CDMO, ScinoPharm will focus on orphan drugs and targeted drugs with a short development cycle, and will strive to maximize the effectiveness of R&D resources, choose the best timing for product development and commercialization, and pursue the greatest possible opportunities. Besides securing existing U.S. and European regulatory markets and accordingly the local market shares, ScinoPharm includes the development of potential markets as one of its important goals. In addition, ScinoPharm constantly demonstrates its high quality and high technicality to its customers and, by developing different types of products, forms a highly mutual-trust business relationship and a flexible and unrestricted collaboration model with its customers.

ScinoPharm has successfully completed the seventh establishment inspection and received No Action Indicated (NAI) compliance status with zero 483 observations from the U.S. Food and Drug Administration (FDA) again in May last year, which indicates that the quality management of the Company fulfills international standards. As of the end of 2019, the Company obtained the Drug Master File (DMF) for a total of 828 drugs globally, including 62 in the U.S. Among them, up to 37 were an anti-cancer product, which shows the strong technical capability of ScinoPharm in the fight against cancer. To maximize its long-term competitive advantages, the Company has also accumulated abundant accomplishments in terms of self-owned technologies. Throughout last year, the Company applied for a total of seven patents for protecting product processes or crystal form. And by the end of 2019, excluding invention patents that are irrelevant to the long-term developments and hence are no longer maintained at present, ScinoPharm already has 61 inventions with 382 patents obtained around the world in addition to 22 inventions with a total of 40 patents pending review.

Practical and Robust Operational Strategy to Fulfill Corporate Core Values

ScinoPharm specializes in development preparations with abundant API product lines and has successfully applied such skill to the generic drug field after several years of efforts. In the future, it will continue to research and develop preparations through self R&D and proactive joint development and amortization of cost with global strategic partners while expanding business and enter the end market of the pharmaceutical industry where profits are shared in order to create a vertically integrated value chain. Internally, on the other hand, optimization of process, enhancement of throughput utilization, cost control, and improvement of management efficiency continue to expedite product development and to become one of the few special formulation manufacturers around the world with complete R&D and production capabilities. The whole staff of ScinoPharm will devote more efforts and recourses to product-developments and try to create even better return on investment for shareholders. I cordially ask all of you, shareholders, ladies and gentlemen, to continue with your support and guidance for us. Thank you!

Chih-Hsien Lo, Chairman

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2019 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 20, 2020

Appendix 3

ScinoPharm Taiwan, Ltd.

Proposed amendments to the Rules of Procedure for Board of Directors Meeting

Current Provision	Revision Proposed	Remark
Article 9: chairman of the board of	Article 9: chairman of the board of	1.Some revision of
directors and agent	directors and agent	the text of item
The meeting of the company's	If the meeting of the company's	2.In line with
board of directors should be	board of directors is convened by	revision of item 4
convened <u>and chaired by the</u>	the chairman, then the meeting	of article 203 of
chairman. However, after	should be chaired by the chairman.	Company Act on
reelection, the first meeting of the	However, after reelection, the first	Aug. 1, 2018,
new board of directors should be	meeting of the new board of	authorizing
convened by the director with the	directors should be convened by the	convening of the
most votes. In case there are two or	director with the most votes. In	first meeting of
more directors with the same	case there are two or more	new board of
highest votes, they should select	directors with the same highest	directors by over
one among them as the convener.	votes, they should select one	half of elected
<u>(new item)</u>	among them as the convener.	directors
	According to item 4, article 203 or	themselves, as well as revision of
	item 3, article 203-1, meeting of	item 3 of article
	board of directors can be convened	203-1, authorizing
	by over a half of directors and	convening of
	chaired by one selected by the	meeting of board
	directors among themselves.	of directors by
	When chairman is on leave or	over half of
When chairman is on leave or	cannot exercise his/her duty for whatever reason, he/she should	directors
cannot exercise his/her duty for	designate a director as his/her	themselves,
whatever reason, he/she should	agent or directors should select one	institute item 2 of
designate a director as his/her	among themselves to exercise the	the article/
agent or directors should select one	duty, should he/she fail to do so.	3.Remove item 2 to
among themselves to exercise the		item 3.
duty, should he/she fail to do so.		
Article 10: Non-director attendees	Article 10: Non-director attendees	1.According to
and principle for announcing	and principle for announcing	article 5, general
beginning of meeting	beginning of meeting	affairs for meeting
When the board of directors is	When the board of directors is	are handled by
convened, the <u>financial department</u>	convened, the general affairs unit	administrative
should prepare related data as	for meeting should prepare related	and
reference for directors.	data as reference for directors.	financial/accounti
For convening of board of directors,	For convening of board of directors,	ng units jointly,
related units or subsidiaries can be	related units or subsidiaries can be	according to their
notified for sending representatives	notified for sending representatives	authority and
to attend the meeting, so can	to attend the meeting, so can	responsibility.
certified public account, attorney at	certified public account, attorney at	Related text is
law, or other professionals. Those	law, or other professionals. Those	revised
outside attendees, however, should	outside attendees, however, should	accordingly.

Current Provision	Revision Proposed	Remark
leave, during discussion and voting.	leave, during discussion and voting.	
At scheduled time and with	At scheduled time and with	
attendance of over half of directors,	attendance of over half of directors,	
chairman should announce starting	chairman should announce starting	
of meeting. If there are less than	of meeting. If there are less than	
half of directors in attendance at	half of directors in attendance at	
scheduled time, chairman can	scheduled time, chairman can	
postpone the starting of meeting,	postpone the starting of meeting,	
twice for one hour at maximum,	twice for one hour at maximum,	
otherwise, chairman should	otherwise, chairman should	
reschedule the meeting, according	reschedule the meeting, according	
to item 2, article 3.	to item 2, article 3.	
The so-called all the directors, as	The so-called all the directors, as	
mentioned in the previous item and	mentioned in the previous item and	
item2-2, article 15, refer to all the directors in office.	item2-2, article 15, refer to all the directors in office.	
Article 14 : Conflict of interest	Article 14 : Conflict of interest	1.In line with
avoidance system for directors	avoidance system for directors	revision of item 3,
For items on agenda involving their	For items on agenda involving their	article 206 of
own interests or interests of judicial	own interests or interests of judicial	Company Act on
persons they represent, directors	persons they represent, directors	Aug. 1, 2018,
should explain the relationship at	should explain the relationship at	institute item 2 of
the meeting of board directors and	the meeting of board directors and	the article.
avoiding discussion and voting as	avoiding discussion and voting as	2.Remove item 2 to
well as being proxy of other director	well as being proxy of other director	item 3 and revise
in voting. Should there be concern	in voting. Should there be concern	citation items
jeopardizing the company's interest.	jeopardizing the company's interest.	according to latest
<u>(New Item)</u>	In case spouse or direct blood	revision of
	relative within second degree of	Company Act.
	kinship of directors or companies	
	with control or subordinate	
	relationship with directors have	
	related interest with the	
	aforementioned items of the	
	meeting, the directors are regarded to have related interest with the	
For the resolutions of the board of	items.	
directors, directors not allowed to	For the resolutions of the board of	
vote, as specified in the previous	directors, directors not allowed to	
item, are handled according to item	vote, as specified in the previous <u>2</u>	
2 article 180, as regulated in item <u>3</u> ,	item, are handled according to item	
article 206, of Company Act.	2 article 180, as regulated in_item 4,	
	article 206, of Company Act.	
Article 17: Deleted		Delete original
		sequential number

Current Provision	Revision Proposed	Remark				
Article 19: Authorization by the Board of Directors Except items need to be discussed by the board of directors, according to item 1, article 7, the board of directors can specify level of delegation of authority for handling	Article 17: Authorization by the Board of Directors Except items need to be discussed by the board of directors, according to item 1, article 7, the board of directors can specify level of delegation of authority for handling	In line with removal of the sequential number of article 17 and the contents of the previous and next articles, change article 19 to				
items with specified contents during its recess	items with specified contents during its recess	article 17.				
Article 20: Implementation & Revision	Article 19: Implementation & Revision	1.In line with the change of article				
These Rules were established on 25 September 2009 and subsequently revised as follows: 1 st revision of March 26 2012, 2 nd revision of December 14 2012. 3 rd revision of	These Rules were established on 25 September 2009 and subsequently revised as follows: 1 st revision of 26 March 2012, 2 nd revision of 14 December 2012, 3 rd revision of	19 to article 17, change article 20 to article 19.2.In line with the revision, add the				
December 19, 2017	December 19, 2017 <u>, 4th revision of</u> June 30 2020.	revision date to the text.				

Appendix 4

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. (the "Company") as at December 31, 2019 and 2018, 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 financial position of the Company as at December 31, 2019 and 2018, and its financial performance and 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 2019. 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

Refer to Note 4(28) to the parent company only financial statements for accounting policy on revenue recognition and Note 6(18) to the parent company only financial statements for accounting items on revenue.

The Company's sales revenue mainly arises from the manufacture and sales of Active Pharmaceutical Ingredient ("API"), which primarily consists of export sales. The Company recognizes 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 audit 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 included checking the terms and conditions of transactions, verifying against supporting documents, and checking whether inventory movements and costs of sales were recognized in the appropriate period.

Inventory valuation

Description

Refer to Note 4(11) for accounting policies on inventory valuation, Note 5(2)1 for the uncertainty of accounting estimates and assumptions applied in inventory valuation, and Note 6(4) for details of inventories. As of December 31, 2019, the balances of inventory and allowance for inventory valuation losses were \$1,489,137 thousand and \$388,442 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 realizable value. For inventories aging over a certain period of time and are individually identified as obsolete inventories, the net realizable value is calculated based on the historical information of inventory turnover. Since the calculation of net realizable 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 audit 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 turnover and judgement of obsolete inventory.
- 2. Verified whether the dates 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 whether the reported information was in line with the Company's policies.
- 3. Selected samples from inventory items by each sequence number to verify its realizable 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 Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the 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.

Lin, Yung-Chih

Independent Accountants

Liu, Tzu-Meng

PricewaterhouseCoopers, Taiwan Republic of China March 20, 2020

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.

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

			December 31, 2019)	_	December 31, 2018		
	Assets	Notes	 AMOUNT	%		AMOUNT	%	
	Current assets							
1100	Cash and cash equivalents	6(1)	\$ 3,020,410	26	\$	4,075,456	36	
1110	Financial assets at fair value through	6(2)						
	profit or loss - current		2,920	-		409	-	
1170	Accounts receivable, net	6(3) and 12	562,856	5		550,740	5	
1200	Other receivables		10,118	-		15,657	-	
1210	Other receivables - related parties	7	5,697	-		5,625	-	
1220	Current income tax assets	6(24)	8,969	-		-	-	
130X	Inventories	5(2) and 6(4)	1,100,695	10		1,243,588	11	
1410	Prepayments		 107,502	1		80,273	1	
11XX	Total current assets		 4,819,167	42		5,971,748	53	
	Non-current assets							
1517	Financial assets at fair value through	6(5)						
	other comprehensive income							
	- non-current		415,210	4		468,117	4	
1550	Investments accounted for under	6(6)						
	equity method		1,763,209	16		745,548	7	
1600	Property, plant and equipment	6(7)(9)	3,192,172	28		3,387,960	31	
1755	Right-of-use assets	3(1) and 6(8)	602,221	5		-	-	
1780	Intangible assets		9,458	-		8,402	-	
1840	Deferred income tax assets	5(2) and 6(24)	504,946	4		470,322	4	
1915	Prepayments for equipment		80,441	1		92,552	1	
1920	Guarantee deposits paid		5,244	-		903	-	
1980	Other financial assets - non-current	8	 29,270			29,270		
15XX	Total non-current assets		 6,602,171	58		5,203,074	47	
1XXX	Total assets		\$ 11,421,338	100	\$	11,174,822	100	

(Continued)

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

	Liabilities and Equity	Notes	December 31, 20 Notes AMOUNT				December 31, 2018 AMOUNT		
	Current liabilities	Notes		ANOON	%		AMOUNT	%	
2100	Short-term borrowings	6(10)	\$	-	-	\$	61,694	-	
2130	Contract liabilities - current	6(18)		46,789	-		22,541	-	
2150	Notes payable			1,353	-		1,148	-	
2170	Accounts payable			93,643	1		73,739	1	
2180	Accounts payable - related parties	7		45,517	-		39,307	-	
2200	Other payables	6(11)		285,292	3		293,946	3	
2230	Current income tax liabilities	6(24)		-	-		64,853	1	
2280	Lease liabilities - current			16,014			<u>-</u>		
21XX	Total current liabilities			488,608	4		557,228	5	
	Non-current liabilities								
2570	Deferred income tax liabilities	6(24)		584	-		81	-	
2580	Lease liabilities - non-current	3(1)		590,020	5		-	-	
2640	Net defined benefit liabilities	6(12)		82,182	1		76,863	1	
2645	Guarantee deposits received			-			1,618		
25XX	Total non-current liabilities			672,786	6		78,562	1	
2XXX	Total liabilities			1,161,394	10		635,790	6	
	Equity								
	Share capital								
3110	Share capital - common stock	6(13)		7,907,392	69		7,907,392	71	
3200	Capital surplus	6(12)(13)(14)(15)		1,294,605	12		1,292,555	11	
	Retained earnings	6(5)(16)							
3310	Legal reserve			612,600	6		568,302	5	
3320	Special reserve			22,829	-		22,829	-	
3350	Unappropriated earnings			490,344	4		708,338	6	
3400	Other equity interest	6(6)(17)	(67,826)	()		39,616	1	
3XXX	Total equity			10,259,944	90		10,539,032	94	
	Significant contingent liabilities and	7 and 9							
	unrecognised contract commitments								
	Significant events after the balance	11							
	sheet date								
3X2X	Total liabilities and equity		\$	11,421,338	100	\$	11,174,822	100	

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

<u>SCINOPHARM TAIWAN, LTD.</u> <u>PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME</u> (Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

	• •			Ve	ar en	ded I)ecem	ıber 31		
				2019		ucui	Jecen	2018		
	Items	Notes		AMOUNT	%	6		AMOUNT		%
4000	Operating revenue	6(18)	\$	2,813,047	-	100	\$	3,470,109		100
5000	Operating costs	6(4)(12)(22)(23), 7								
		and 9	(1,677,387)	(<u>59</u>)	(1,808,470)	(<u>52</u>)
5900	Net operating margin			1,135,660		41		1,661,639		48
	Operating expenses	6(12)(22)(23), 7, 9								
		and 12				- 1				
6100	Selling expenses		(160,552)	(6)	(151,924)	(4)
6200	General and administrative		,	446 020)	,	10)	,	440 570)	,	12)
6300	expenses Research and development		(446,039)	(16)	(449,576)	(13)
0500	Research and development expenses		1	206,570)	(7)	(295,064)	(9)
6450	Gain on reversal of (expected credit		l	200,5707	(')	(295,0047	ſ	5)
0450	losses)		(202)		-		95		-
6000	Total operating expenses		(813,363)	(29)	(896,469)	(26)
6900	Operating profit		\	322,297	·	12	` <u> </u>	765,170	`	22
	Non-operating income and expenses			011,107				, ((),1,0		
7010	Other income	6(19) and 7		94,836		3		48,546		2
7020	Other gains and losses	6(2)(9)(20) and 12	(44,362)	(2)	(35,377)	(1)
7050	Finance costs	6(21)	(8,532)	·	-		4,456)	•	-
7070	Share of loss of associates and joint	6(6)								
	ventures accounted for using equity									
	method		(117,725)	(4)	(306,232)	(<u>9</u>)
7000	Total non-operating income and									
	expenses		(75,783)	(3)	(297,519)	(8)
7900	Profit before income tax			246,514		9		467,651		14
7950	Income tax expense	6(24)	(29,858)	(<u>1</u>)	(24,673)	(<u> </u>
8200	Profit for the year		\$	216,656		8	\$	442,978	_	13
	Other comprehensive income (loss) Components of other comprehensive income (loss) that will not be reclassified to profit or loss									
8311	Actuarial losses on defined benefit	6(12)								
	plans		(\$	5,936)		-	(\$	8,328)		-
8316	Unrealised losses from equity instruments measured at fair value through other comprehensive	6(5)(17)								
	income		(48,718)	(2)	(67,722)	(2)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(24)		1,187		-		1,763		_
	Components of other comprehensive loss that will be reclassified to profit or loss			_,				_,		
8361	Financial statements translation differences of foreign operations	6(6)(17)	(56,865)	(<u>2</u>)	(21,487)	(<u>1</u>)
8300	Total other comprehensive loss for the year		(\$	110,332)	(4)	(\$	95,774)	(3)
8500	Total comprehensive income for the year		\$	106,324		4	\$	347,204	_	10
	Earnings per share (in dollars)	6(25)	<u> </u>	,			<u> </u>			
9750	Basic	0(20)	Ś		ſ).27	\$			0.56
9850	Diluted		<u>\$</u> \$).27	\$			0.56
5650	Shuteu		Ŷ				Ļ			0.50

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

								Ret	ained Earnings				Other Equi	ty Interest			
	Notes	Share ca	apital - common stock	Ca	pital reserve	L	egal reserve	SI	becial reserve	Unaj	ppropriated earnings	translatio	l statements n differences n operations	Unrealised gains (from financial as measured at fair through othe comprehensive in	ssets value r	1	Fotal equity
For the year ended December 31, 2018																	
Balance at January 1, 2018		\$	7,907,392	\$	1,286,872	\$	526,065	\$	22,829	\$	693,832	(\$	19,765)	\$	-	\$	10,417,225
Effect on retrospective application and restatement	6(17)		-		-		-		-		-		-	148	3,475		148,475
Balance after restatement on January 1, 2018		-	7,907,392		1,286,872	-	526,065		22,829	-	693,832	(19,765)	148	3,475		10,565,700
Net income for the year ended December 31, 2018		-	-		-	-	-		-	-	442,978		-		-		442,978
Other comprehensive loss for the year ended December 31, 2018	6(5)(17)				-				-	(6,565)	(21,487)	(67	7,722)	(95,774)
Total comprehensive income (loss) for the year ended December 31, 2018			-		-		-		-		436,413	(21,487)	(67	7,722)		347,204
Distribution of 2017 net income:																	
Legal reserve			-		-		42,237		-	(42,237)		-		-		-
Cash dividends	6(16)		-		-		-		-	(379,555)		-		-	(379,555)
Employee stock option compensation cost	6(14)(15)		-		5,683		-		-		-		-		-		5,683
Disposal of equity instruments at fair value through	6(5)(17)																
other comprehensive income			-		-		-		-	(115)		-		115		-
Balance at December 31, 2018		\$	7,907,392	\$	1,292,555	\$	568,302	\$	22,829	\$	708,338	(\$	41,252)	\$ 80),868	\$	10,539,032
For the year ended December 31, 2019																	
Balance at January 1, 2019		\$	7,907,392	\$	1,292,555	\$	568,302	\$	22,829	\$	708,338	(\$	41,252)	\$ 80),868	\$	10,539,032
Net income for the year ended December 31, 2019 Other comprehensive loss for the year ended December	6(5)(17)		-		-		-		-		216,656		-		-		216,656
31, 2019			-		-		-		-	(4,749)	(56,865)	(48	3,718)	(110,332)
Total comprehensive income (loss) for the year ended December 31, 2019			-		-		-		-		211,907	(56,865)	(48	3,718)		106,324
Distribution of 2018 net income:																	
Legal reserve			-		-		44,298		-	(44,298)		-		-		-
Cash dividends	6(16)		-		-		-		-	(387,462)		-		-	(387,462)
Employee stock option compensation cost	6(14)(15)		-		2,050		-		-		-		-		-		2,050
Disposal of equity instruments at fair value through other comprehensive income	6(5)(17)		-		-		-		-		1,859			(1	L,859)		
Balance at December 31, 2019		\$	7,907,392	\$	1,294,605	\$	612,600	\$	22,829	\$	490,344	(\$	98,117)),291	\$	10,259,944
							<u>_</u>		<u> </u>		<u>·</u>		·				

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

			For the years ended Dece	ember 51,
	Notes		2019	2018
ASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		\$	246,514 \$	467,651
Adjustments				
Adjustments to reconcile profit (loss)				
Gain on valuation of financial assets and liabilities		(2,511) (409
(Gain on reversal of) expected credit losses	12(2)		202 (95
Reversal of allowance for loss on inventory market	6(4)			
price decline		(2,590) (40,832
Provision for obsolescence of supplies			5,972	7,183
Share of loss of subsidiaries, associates and joint	6(6)			
ventures accounted for under equity method			117,725	306,232
Depreciation of property, plant and equipment	6(7)(22)		272,707	284,363
Depreciation of right-of-use assets	6(8)(22)		15,148	-
Property, plant and equipment transferred to loss	6(7)		22,726	14,349
Gain on disposal of property, plant and equipment	6(20)		- (78
(Gain on reversal of) impairment loss	6(7)(9)(20)		707 (2,322
Amortisation	6(22)		7,693	5,238
Prepayments for equipment transferred to loss			1,967	-
Employee stock option compensation cost	6(14)(15)		2,050	5,683
Interest income	6(19)	(28,541) (20,677
Interest expense	6(21)		8,532	4,456
Changes in operating assets and liabilities				
Changes in operating assets				
Accounts receivable		(12,318)	16,477
Other receivables			5,481 (3,937
Other receivables - related parties		(72) (3,028
Inventories			145,483	297,825
Prepayments		(33,201)	11,988
Changes in operating liabilities				
Contract liabilities - current			24,248 (825
Notes payable			205 (13
Accounts payable			19,904 (204
Accounts payable - related parties			6,210 (14,621
Other payables		(16,561)	12,918
Net defined benefit liabilities - non-current		(617) (777
Cash inflow generated from operations		·	807,063	1,346,545
Interest received			28,599	21,398
Interest paid		(9,410) (3,578
Income tax paid		, (136,614) (123,172
Net cash flows from operating activities		`	689,638	1,241,193

(Continued)

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

		I of the years end	led December 31,			
Notes		2019		2018		
6(5)						
	\$	4,189	\$	3,733		
6(6)						
	(1,192,251)	(409,150)		
6(26)						
	(15,925)	(50,033)		
		-		78		
	(2,249)	(2,888)		
	(71,998)	(65,325)		
	(4,341)		326		
		-	(439)		
	(1,282,575)	(523,698)		
6(27)	(61,694)		61,694		
6(27)	(11,335)		-		
6(27)	(1,618)	(2)		
6(16)	(387,462)	(379,555)		
	(462,109)	(317,863)		
	(1,055,046)		399,632		
6(1)		4,075,456		3,675,824		
6(1)	\$	3,020,410	\$	4,075,456		
	6(5) 6(6) 6(26) 6(27) 6(27) 6(27) 6(16) 6(1)	6(5) \$ 6(6) (6(26) (((((((((((((((((((Notes 2019 6(5) \$ 4,189 6(6) (1,192,251) 6(26) (15,925) (2,249) (71,998) (71,998) (4,341) (1,282,575) - 6(27) (61,694) 6(27) (11,335) 6(27) (1618) 6(16) (387,462) (1,055,046) (1,055,046)	Notes 2019 6(5) \$ 4,189 \$ 6(6) (1,192,251.) (6(26) (15,925.) ((2,249.) (- (2,249.) (((2,249.) (((2,249.) (((71,998.) (((1,282,575.) (

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

Appendix 5

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE To the Board of Directors and Shareholders 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, 2019 and 2018, 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, 2019 and 2018, 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 2019. 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 from Taiwan

Description

Refer to Note 4(28) for accounting policies on revenue recognition and Note 6(20) for accounting items on operating revenue.

The Group's sales revenue mainly arise from the manufacture and sales 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 from Taiwan a key audit matter.

How our audit 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 included 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

Refer to Note 4(13) for accounting policies on inventory valuation, Note 5(2)1 for the uncertainty of accounting estimates and assumptions applied on inventory valuation, and Note 6(5) for details of inventories. As of December 31, 2019, the balances of inventory and allowance for inventory valuation losses were \$1,595,450 thousand and \$471,118 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 turnover. 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 audit 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 turnover and judgement of obsolete inventory.
- 2. Verified whether the dates 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 whether 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, 2019 and 2018.

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.

Lin, Yung-Chih

Independent Accountants

Liu, Tzu-Meng

PricewaterhouseCoopers, Taiwan

Republic of China

March 20, 2020

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.

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

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

	December 31, 20					December 31, 2018				
	Assets	Notes		AMOUNT	%		AMOUNT	%		
	Current assets									
1100	Cash and cash equivalents	6(1)	\$	3,304,978	28	\$	4,203,338	34		
1110	Financial assets at fair value through	6(2)								
	profit or loss - current			2,920	-		409	-		
1136	Financial assets at amortised cost -	6(3)								
	current			172,220	1		178,615	1		
1170	Accounts receivable, net	6(4) and 12		590,336	5		558,950	4		
1200	Other receivables			71,149	1		104,021	1		
1220	Current income tax assets	6(26)		8,968	-		-	-		
130X	Inventories	5 and 6(5)		1,124,332	10		1,363,797	11		
1410	Prepayments			131,681	1		97,037	1		
11XX	Total current assets			5,406,584	46		6,506,167	52		
	Non-current assets									
1517	Financial assets at fair value through	6(6)								
	other comprehensive income -									
	non-current			415,210	4		468,117	4		
1600	Property, plant and equipment	6(7)(10)		4,433,860	38		4,758,846	38		
1755	Right-of-use assets	3(1) and 6(8)		673,087	6		-	-		
1780	Intangible assets			14,068	-		16,753	-		
1840	Deferred income tax assets	5 and 6(26)		606,123	5		593,103	5		
1915	Prepayments for equipment			85,361	1		108,869	1		
1920	Guarantee deposits paid			11,001	-		6,885	-		
1980	Other financial assets - non-current	8		29,270	-		29,270	-		
1985	Long-term prepaid rents	3(1) and 6(9)					75,318			
15XX	Total non-current assets			6,267,980	54		6,057,161	48		
1XXX	Total assets		\$	11,674,564	100	\$	12,563,328	100		

(Continued)

	· · · · · · · · · · · · · · · · · · ·	1		December 31, 2018					
	Liabilities and Equity	Notes		December 31, 2019 AMOUNT	9 %		8 %		
	Current liabilities						AMOUNT		
2100	Short-term borrowings	6(11)	\$	89,766	1	\$	233,290	2	
2130	Contract liabilities - current	6(20)		55,985	-		30,617	-	
2150	Notes payable			1,353	-		1,148	-	
2170	Accounts payable			101,018	1		89,393	1	
2200	Other payables	6(12)		333,376	3		347,319	3	
2230	Current income tax liabilities	6(26)		1	-		65,374	-	
2280	Lease liabilities - current	3(1)		16,014	-		-	-	
2320	Long-term liabilities, current portion	6(13) and 9		144,234	1		1,178,503	9	
21XX	Total current liabilities			741,747	6		1,945,644	15	
	Non-current liabilities								
2570	Deferred income tax liabilities	6(26)		584	-		81	-	
2580	Lease liabilities - non-current	3(1)		590,020	5		-	-	
2640	Net defined benefit liabilities	6(14)		82,182	1		76,863	1	
2645	Guarantee deposits received			87			1,708		
25XX	Total non-current liabilities			672,873	6		78,652	1	
2XXX	Total liabilities			1,414,620	12		2,024,296	16	
	Equity attributable to owners of parent	t							
	Share capital								
3110	Share capital - common stock	6(15)		7,907,392	68		7,907,392	63	
3200	Capital surplus	6(16)(17)		1,294,605	12		1,292,555	10	
	Retained earnings	6(6)(18)							
3310	Legal reserve			612,600	5		568,302	4	
3320	Special reserve			22,829	-		22,829	-	
3350	Unappropriated earnings			490,344	4		708,338	6	
3400	Other equity interest	6(19)	(67,826)	(1)		39,616	1	
зххх	Total equity			10,259,944	88		10,539,032	84	
	Significant contingent liabilities and	9							
	unrecognised contract commitments								
	Significant events after the balance	11							
	sheet date								
3X2X	Total liabilities and equity		\$	11,674,564	100	\$	12,563,328	100	
3X2X	Total liabilities and equity		\$	11,674,564	100	\$	12,563,328	8	

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

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

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

					ear	ended [vecem			
	14	Natas		2019		0/		2018		0/
4000	Items	Notes	Ś	AMOUNT		%	<u>~</u>	AMOUNT	_	%
4000 5000	Operating revenue Operating costs	6(20) 6(5)(24)(25) and 9	Ş	2,892,783 1,716,378)	(100 59)	\$ (3,524,263 1,981,749)	(100 56)
5900	Net operating margin	0(3)(24)(23) and 3	(1,176,405	(41	۱ <u> </u>	1,542,514	<u>ر</u> _	
5500	Operating expenses	6(9)(24)(25), 7, 9		1,170,405	-			1,542,514		
		and 12								
6100	Selling expenses		(157,168)	(6)	(146,931)	(4)
6200	General and administrative		•		•		•			
	expenses		(513,796)	(18)	(524,047)	(15)
6300	Research and development									
	expenses		(238,373)	(8)	(313,208)	(9)
6450	Gain on reversal of (expected credit									
	losses)		(214)	.—	-		84	.—	-
6000	Total operating expenses		(909,551)	(32)	(984,102)	(28)
6900	Operating profit			266,854		9		558,412		16
7010	Non-operating income and expenses	(12)(24)		04.050		2		40 507		
7010	Other income	6(3)(21) 6(2)(10)(22)	1	91,850	,	3	,	48,597	,	1
7020 7050	Other gains and losses Finance costs	6(2)(10)(22) 6(23)		37,961) 55,689)		1) 2)	(36,299) 80,169)		1) 2)
7000	Total non-operating income and	0(23)	(55,065	()	(80,109	<u>ر</u>	<u></u>)
7000	expenses		1	1,800)		-	(67,871)	(2)
7900	Profit before income tax		۱ <u> </u>	265,054		9	·	490,541	<u>ر</u>	, 14
7950	Income tax expense	6(26)	(48,398)	(1)	(47,563)	(1)
8200	Profit for the year	0(20)	Ś	216,656	`	,	` <u></u> \$	442,978	`	, 13
	Other comprehensive income		Ŧ				Ŧ		_	
	Components of other comprehensive									
	(loss) income that will not be									
	reclassified to profit or loss									
8311	Actuarial losses on defined benefit	6(14)								
	plans		(\$	5,936)		-	(\$	8,328)		-
8316	Unrealised losses from equity	6(6)(19)								
	instrument measured at fair value									
	through other comprehensive									
	income		(48,718)	(2)	(67,722)	(2)
8349	Income tax related to components	6(26)								
	of other comprehensive income that									
	will not be reclassified to profit or loss			1 107				1,763		
	Components of other comprehensive			1,187		-		1,705		-
	loss that will be reclassified to profit									
	or loss									
8361	Financial statements translation	6(19)								
	differences of foreign operations	. ,	(56,865)	(2)	(21,487)	(1)
8300	Total other comprehensive loss for the									
	year		(<u>\$</u>	110,332)	(4)	(\$	95,774 <u>)</u>	(3)
8500	Total comprehensive income for the									
	year		\$	106,324		4	\$	347,204		10
	Profit attributable to:				_				_	
8610	Owners of the parent		\$	216,656		8	\$	442,978		13
	Comprehensive income attributable									
	to:									
8710	Owners of the parent		\$	106,324		4	\$	347,204	_	10
	Earnings per share (in dollars)	6(27)								
9750	Basic		\$			0.27	<u>\$</u>			0.56
9850	Diluted		\$			0.27	\$			0.56

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	attributa	ble to owners of	f the paren	t						
								Ret	ained Earnings	•		Other Equity Interest					
	Notes	Share c	apital - common stock	Ca	apital reserve	Le	gal reserve	Sp	ecial reserve	Unappre	opriated earnings	translati	ial statements on differences gn operations	(losses) assets n value	alised gains from financial neasured at fair through other nensive income		Total equity
For the year ended December 31, 2018																	
Balance at January 1, 2018		\$	7,907,392	\$	1,286,872	\$	526,065	\$	22,829	\$	693,832	(\$	19,765)	\$	-	\$	10,417,225
Effect on retrospective application and restatement	6(19)		-		-		-		, -	·	-		-	·	148,475		148,475
Balance after restatement on January 1, 2018			7,907,392		1,286,872		526,065		22,829		693,832	(19,765)		148,475		10,565,700
Net income for the year ended December 31, 2018			-		-				-		442,978	·	·		_		442,978
Other comprehensive loss for the year ended December 31, 2018	6(6)(19)		-		-		-		-	(6,565)	(21,487)	(67,722)	(95,774)
Total comprehensive income (loss) for the year ended December 31, 2018			-		-		_		-		436,413	(21,487)	(67,722)		347,204
Distribution of 2017 net income:																	
Legal reserve			-		-		42,237		-	(42,237)		-		-		-
Cash dividends	6(18)		-		-		-		-	(379,555)		-		-	(379,555)
Employee stock option compensation cost	6(16)(17)		-		5,683		-		-		-		-		-		5,683
Disposal of equity instruments at fair value through other comprehensive income	6(6)(19)		-		-		-		-	(115)				115		
Balance at December 31, 2018		\$	7,907,392	\$	1,292,555	\$	568,302	\$	22,829	\$	708,338	(\$	41,252)	\$	80,868	\$	10,539,032
For the year ended December 31, 2019				_		_											
Balance at January 1, 2019		\$	7,907,392	\$	1,292,555	\$	568,302	\$	22,829	\$	708,338	(\$	41,252)	\$	80,868	\$	10,539,032
Net income for the year ended December 31, 2019			-		-		-		-		216,656		-		-		216,656
Other comprehensive loss for the year ended December 31, 2019	6(6)(19)	_	-		-		-		-	(4,749)	(56,865)	(48,718)	(110,332)
Total comprehensive income (loss) for the year ended December 31, 2019			-		-		-		-		211,907	(56 <i>,</i> 865)	(48,718)		106,324
Distribution of 2018 net income:																_	
Legal reserve			-		-		44,298		-	(44,298)		-		-		-
Cash dividends	6(18)		-		-		-		-	(387,462)		-		-	(387,462)
Employee stock option compensation cost	6(16)(17)		-		2,050		-		-		-		-		-		2,050
Disposal of equity instruments at fair value through other comprehensive income	6(6)(19)	_	-	_	-	_	-		-		1,859		-	(1,859)		-
Balance at December 31, 2019		\$	7,907,392	\$	1,294,605	\$	612,600	\$	22,829	\$	490,344	(\$	98,117)	\$	30,291	\$	10,259,944

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)

			For the years end	led December 31,				
	Notes		2019		2018			
CASH FLOWS FROM OPERATING ACTIVITIES								
Profit before tax		\$	265,054	\$	490,541			
Adjustments		•	,		,			
Adjustments to reconcile profit (loss)								
Gain on valuation of financial assets and								
liabilities		(2,511)	(409)			
(Gain on reversal of) expected credit losses	12		214	(84)			
Reversal of allowance for loss on inventory	6(5)							
market price decline		(51,413)	(28,851)			
Provision for obsolescence of supplies			8,006		8,980			
Depreciation of property, plant and	6(7)(24)							
equipment			379,537		395,379			
Depreciation of right-of-use assets	6(8)(24)		16,972		-			
Property, plant and equipment transferred to	6(7)							
loss			22,726		14,349			
Loss on disposal of property, plant and	6(22)							
equipment			39		75			
(Gain on reversal of) impairment loss	6(7)(10)(22)		707	(2,273)			
Amortisation	6(24)		12,206		10,442			
Prepayments for equipment transferred to								
loss			1,967		-			
Amortisation of long-term prepaid rent	6(9)		-		1,858			
Employee stock option compensation cost	6(16)(17)		2,050		5,683			
Interest income	6(21)	(37,976)	(33,234)			
Interest expense	6(23)		55,689		80,169			
Changes in operating assets and liabilities								
Changes in operating assets		,						
Accounts receivable		(31,599)		8,453			
Other receivables			33,791		92,033			
Inventories		1	293,845		340,142			
Prepayments		(43,565)		7,320			
Changes in operating liabilities			25.200		1 701			
Contract liabilities - current			25,368	1	1,721			
Notes payable Accounts payable			205 11,625	(13) 1,391)			
Other payables		1	12,793)	(6,429			
Net defined benefit liabilities - non-current			617)	1	777)			
Cash inflow generated from operations		(949,527	۱ <u> </u>	1,396,542			
Interest received			37,057		1,590,542 31,668			
Interest paid		(63,570)	(76,487)			
Income tax paid		(134,069)	(120,129)			
Net cash flows from operating activities		۱	788,945	۱ <u> </u>	1,231,594			
Net cash hows from operating activities			100,943		1,231,394			

(Continued)

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

			For the years end	led December 31,				
	Notes		2019		2018			
CASH FLOWS FROM INVESTING ACTIVITIES								
Increase in financial assets at amortised cost -								
current		(\$	710,890)	(\$	1,214,112)			
Proceeds from disposal of financial assets at		•		•				
amortised cost - current			717,940		1,035,497			
Proceeds from disposal of financial assets at fair	6(6)							
value through other comprehensive income			4,189		3,733			
Cash paid for acquisition of property, plant and	6(28)							
equipment		(21,351)	(51,290)			
Proceeds from disposal of property, plant and								
equipment			188		79			
Acquisition of intangible assets		(3,185)	(4,076)			
Increase in prepayment for equipment		(81,164)	(71,681)			
(Increase) decrease in guarantee deposits paid		(4,116)		2,294			
Increase in other financial assets - non-current			-	(439)			
Net cash flows used in investing								
activities		(98,389)	(299,995)			
CASH FLOWS FROM FINANCING ACTIVITIES								
Decrease in short-term borrowings	6(29)	(140,356)	(137,723)			
Repayment of the principal portion of lease	6(29)							
liabilities		(11,335)		-			
Increase in long-term borrowings	6(29)		185,704		163,736			
Decrease in long-term borrowings	6(29)	(1,216,792)	(273,493)			
Decrease in guarantee deposits received	6(29)	(1,618)	(2)			
Payment of cash dividends	6(18)	(387,462)	(379,555)			
Net cash flows used in financing								
activities		(1,571,859)	(627,037)			
Effect of foreign exchange rate changes		(17,057)	(12,015)			
Net (decrease) increase in cash and cash equivalents		(898,360)		292,547			
Cash and cash equivalents at beginning of year	6(1)		4,203,338		3,910,791			
Cash and cash equivalents at end of year	6(1)	\$	3,304,978	\$	4,203,338			
· · ·			<u> </u>		<u> </u>			

ScinoPharm Taiwan, Ltd.

Earnings Distribution Plan for Fiscal Year Ended December 31, 2019

Item	Amount (TWD)
After-tax net profit earned in 2019	\$216,655,766
Less: Legal reserve	(21,665,577)
Less: Special reserve	(44,995,797)
Plus: Actuarial gain(loss) presented in retained earnings	(4,748,319)
Plus: Unrealised losses from equity instrument measured at fair	
Value through other comprehensive income	1,859,980
Distributable profit from this period	147,106,053
Plus: Accumulated undistributed earnings from previous period	276,576,602
Total distributable earnings as of this period	423,682,655
Dividends to shareholders	
(Cash dividend TWD 270 on each 1,000 shares held)	(213,499,590)
Undistributed earnings as of the end of the period	\$210,183,065

Notes:

1. In terms of earnings distribution for fiscal year 2019, 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: Tsung-Ming Su Chief Accountant: Carrie Lin
Appendix 7

ScinoPharm Taiwan, Ltd.

Proposed amendments to the Articles of Incorporation

Current Provision	Revision Proposed	Remark
Article 3 The Company having its head office established at the Southern Taiwan Industrial 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 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.	In line with revision of the "Act For Establishment and Administration of Science Park", The "Science Industrial Park" had renamed as "Science Park". In respond to request from Southern Tainan Science Park, revision is made accordingly.
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 three terms. <u>Subject to the relevant</u> <u>resolution adopted by the meeting</u> of the Board of Directors, liabilities <u>insurance will be procured for the</u> <u>Directors elect</u> . Percentage of total shares owned by directors is set according to the Company Act and the prescribed by the competent securities authority. <u>The Company</u> 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 meeting 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 three terms. Percentage of total shares owned by directors_is set according to the Company Act and the 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 meeting and other legal compliance matters of the Audit Committee shall be in accordance with the relevant regulations issued by the competent securities authority. <u>The Company should procure</u> <u>liabilities insurance for the</u> <u>Directors elected during their</u> <u>office term.</u>	In line with the inclusion of requirement for taking out liabilities insurance for directors, related text is revised accordingly. Also adjust the paragraph to make the transition of contents smoothly.

Current Provision	Revision Proposed	Remark
Article 43	Article 43	Revision dates
These Articles of Incorporation	These Articles of Incorporation	have been added.
established on October 16, 1997,	established on October 16, 1997,	
have been revised as follows:1st	have been revised as follows:1st	
revision of March 17, 1998, 2nd	revision of March 17, 1998, 2nd	
revision of April 7, 1999, 3rd	revision of April 7, 1999, 3rd	
revision of July 21, 2000, 4th	revision of July 21, 2000, 4th	
revision of December 3, 2001, 5th	revision of December 3, 2001, 5th	
revision of June 13, 2002, 6th	revision of June 13, 2002, 6th	
revision of March 13, 2003, 7th	revision of March 13, 2003, 7th	
revision of June 30, 2003, 8th	revision of June 30, 2003, 8th	
revision of June 30, 2003, 9th	revision of June 30, 2003, 9th	
revision of May 14, 2004, 10th	revision of May 14, 2004, 10th	
revision of June 3, 2005, 11th	revision of June 3, 2005, 11th	
revision of October 3 2005, 12th	revision of October 3 2005, 12th	
revision of February 15, 2006, 13th	revision of February 15, 2006, 13th	
revision of June 7, 2006, 14th	revision of June 7, 2006, 14th	
revision of June 18, 2009, 15th	revision of June 18, 2009, 15th	
revision of September 25, 2009,	revision of September 25, 2009,	
16th revision of April 29, 2010,	16th revision of April 29, 2010,	
17th revision of December 9, 2010,	17th revision of December 9, 2010,	
18th revision of June 13, 2012,	18th revision of June 13, 2012,	
19th revision of June 21, 201,3	19th revision of June 21, 201,3	
20th revision of June 18, 2014,	20th revision of June 18, 2014,	
21st revision of June 27, 2016, 21st	21st revision of June 27, 2016, 21st	
revision of June 27, 2016, 22nd	revision of June 27, 2016, 22nd	
revision of June 27, 2018 and 23rd	revision of June 27, 2018 , 23rd	
revision of June 27, 2019.	revision of June 27, 2019 and 24 th	
	revision of June 30,2020.	

ScinoPharm Taiwan, Ltd. Proposed revision to the Rules Governing Election of Directors and Supervisors

Exiting Name	Amended Name	Remark
Rules Governing Election of Directors <u>and Supervisors</u>	Rules Governing Election of Directors	The company has instituted independent directors to replace Supervisors. In line with the revision, name of the Rules is revised.

Current Provision	Revision Proposed	Remark
Article 1:	Article 1:	The company has
These Rules are established under	These Rules are established under	instituted
Articles 21 and 41 of the Corporate	Articles 21 of the Corporate	independent
Governance Best Practice	Governance Best Practice	directors to replace
Principles for Publicly Listed And	Principles for Publicly Listed And	Supervisors.
Traded-Over-The-Counter	Traded-Over-The-Counter	In line with the
Companies with a view to the	Companies with a view to the	revision, text
open, fair and just elections of the	open, fair and just elections of the	relevant to
directors and supervisors of the	directors of the Company.	supervisors is
Company.		deleted.
Article 2:	Article 2:	Remark is same
Except as otherwise provided by	Except as otherwise provided by	with Article 1
laws, regulations or the Articles of	laws, regulations or the Articles of	
Incorporation of the Company, the	Incorporation of the Company, the	
directors and supervisors of the	directors of the Company shall be	
Company shall be elected in	elected in accordance with these	
accordance with these Rules.	Rules.	
Article 2-1:	Deleted	Remark is same
Provisions of these Rules applicable		with Article 1
to Supervisors shall apply to the		
Audit Committee of the Company (if		
any) with necessary and		
appropriate alterations.		
Article 4	Deleted	Remark is same
The supervisor of the Company		with Article 1
<u>must</u>		
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;		

Current Provision	Revision Proposed	Remark
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 <u>5</u> :	Article <u>4</u> :	1.Change of
The independent director of the	The independent director of the	sequential No.
Company must fulfill the eligibility	Company must fulfill the eligibility	2.In consideration
requirements provided in Articles 2,	requirements provided in Articles 2,	of practical
3 and 4 of the Regulations	3 and 4 of the Regulations	operation,
Governing Establishment of	Governing Establishment of	revised the
Independent Directors by Public	Independent Directors by Public	applicable Regulations
Companies.	Companies.	Regulations.
The election of the independent	The election of the independent	
director of the Company shall be in	director of the Company shall be in	
accordance with Articles 5, 6, 7, 8	accordance with Articles 5, 6 of the	
and 9 of the Regulations Governing Establishment of Independent	Regulations Governing Establishment of Independent	
Directors by Public Companies and	Directors by Public Companies and	
Article 24 of the Corporate	Article 24 of the Corporate	
Governance Best Practice Principles	Governance Best Practice Principles	
for Publicly Listed and	for Publicly Listed and	
Traded-Over-The-Counter	Traded-Over-The-Counter	
Companies.	Companies.	
companies.	companies.	

Current Provision	Revision Proposed	Remark
Article <u>6</u> :	Article <u>5</u> :	1.Change of
The directors and supervisors of the	The directors of the Company shall	sequential No.
Company shall be elected based on	be elected based on nomination in	2 The company has
nomination in accordance with	accordance with Article 192-1 of the	instituted
Article 192-1 of the Company Act.	Company Act.	independent
For the purpose of investigating the		directors to
qualification, academic and		replace
practical background of the		Supervisors.
candidates to be appointed the		In line with the
directors, supervisors of the		revision, text
Company and whether or not the		relevant to
provision of Article 30 of the		supervisors is
Company Act shall invoke to		deleted.
operate, no additional written		3.In line with
evidence of qualification shall be		removal of the
produced without authorization.		regulation on
The result of the investigation must		screening of
be presented to the shareholders		director
for consideration for them to elect		nominees by the
appropriate directors, supervisors		board of
for the Company.		directors in
Should for whatever reason the	Should for whatever reason the	article 192-1 of
number of directors falls below 5,	number of directors falls below 5,	Company Act,
the Company shall have new	the Company shall have new	text relevant to
directors elected by the upcoming	directors elected by the upcoming	"screening of
shareholders meeting.	shareholders meeting.	director
Notwithstanding, where the vacant	Notwithstanding, where the vacant	nominees" is
offices of the directors account for	offices of the directors account for	deleted.
1/3 or the number specified in the	1/3 or the number specified in the	
Articles of Incorporation of the	Articles of Incorporation of the	
Company, the Company shall,	Company, the Company shall, within	
within 60 days from the date of the	60 days from the date of the	
occurrence, convene an	occurrence, convene an	
extraordinary shareholders meeting	extraordinary shareholders meeting	
to elect new directors to fill in the	to elect new directors to fill in the	
vacancies.	vacancies.	
Where the number of independent	Where the number of independent	
directors falls short of the number_	directors falls short of the number_	
provided in <u>the provision of</u>	provided in the Article 23 of the	
paragraph one, Article 14-2 of the	Articles of Incorporation, new	
Securities and Exchange Act and the	independent directors shall be	
relevant provision of the Taiwan	elected by the upcoming	
Stock Exchange Corporation Rules	shareholders meeting to fill the	
Governing Review of Securities	vacancies. Where all of the	
Listings, new independent directors	independent directors have been	
shall be elected by the upcoming	removed or discharged, an	
shareholders meeting to fill the	extraordinary shareholders meeting	
vacancies. Where all of the	must be convened within 60 days of	
independent directors have been	the occurrence to elect new	
muependent directors nave been		

Current Provision	Revision Proposed	Remark
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.	independent directors.	
Article <u>7</u> : The nominated cumulative voting system <u>shall be</u> adopted_for the election of the directors and <u>the</u> <u>supervisors</u> of the Company: The shareholder will have the same amount of votes entitled on each share held as the number of the directors, <u>supervisors</u> 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 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 <u>6</u> : The nominated cumulative voting system is adopted for the election of the directors of the Company: The shareholder will have the same amount of votes entitled on each share held as the number of the directors 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 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.	 Change of sequential No. Text relevant to supervisors is deleted.

Current Provision	Revision Proposed	Remark
Article <u>8</u> :	Article <u>7</u> :	1.Change of
The Board of Directors shall prepare	The Company shall prepare the	sequential No.
the ballot forms in the same	ballot forms in the same amount as	2.Text relevant to
amount as the number of the	the number of the directors to be	supervisors is
directors and supervisors to be	elected, indicate there in the	deleted.
elected, indicate there in the	number of votes entitled, and	3.In line with the
number of votes entitled, and	distribute them to the shareholders	"Voting right
distribute them to the shareholders	present at the shareholders	shall be
present at the shareholders	meeting. For the purpose of	exercised
meeting. For the purpose of	registering the votes cast, the	electronically,
registering the votes cast, the	shareholder's attendance card	revised text
shareholder's attendance card	number may be recorded instead of	accordingly.
number may be recorded instead of	his/her personal name. <u>The Ballot</u>	0,
his/her personal name.	forms will not be reprinted if the	
	shareholders voted electronically.	
Article 9:	Article 8:	1.Change of
Subject to the number of directors	Subject to the number of directors	sequential No.
and supervisors provided in the	provided in the Articles of	2.Text relevant to
Articles of Incorporation of the	Incorporation of the Company, the	supervisors is
Company, the votes cast for the	votes cast for the election of the	deleted.
election of the independent	independent directors and	
directors and non-independent	non-independent directors shall be	
directors shall be counted	counted separately and the elect	
separately and the elect shall be	shall be determined and prioritized	
determined and prioritized	according to the number of votes	
according to the number of votes	won. In case of a tied vote while the	
won. In case of a tied vote while the	number of open positions falls short	
number of open positions falls short	of the tied candidates, the elect	
of the tied candidates, the elect	shall be determined by lot drawing	
shall be determined by lot drawing	by the tied candidates or by the	
by the tied candidates or by the	chairperson on behalf of the	
chairperson on behalf of the	candidate who is for whatever	
candidate who is for whatever	reason not present at the meeting.	
reason not present at the meeting.		
Article 10 :	Article 9:	1.Change of
The chairperson shall, prior to the	The chairperson shall, prior to the	sequential No.
election, appoint a number of	election, appoint a number of	2.Text revised
shareholders to act as the	shareholders to act as the	accordingly
scrutineers and the ballot counters	scrutineers and the ballot counters	
at the election. The ballot boxes	at the election. The ballot boxes	
shall be prepared by the Board of	shall <u>be prepared by the Company</u>	
<u>Directors</u> and openly inspected by	and openly inspected by the	
the scrutineers before the voting	scrutineers before the voting	
commences.	commences.	
Article <u>11</u> :	Article <u>10</u> :	Change of
Omitted	Omitted	sequential No.

Current Provision	Revision Proposed	Remark
Article <u>12</u> : The vote cast shall be void if	Article <u>11</u> : The vote cast shall be void if	1.Change of sequential No.
 the ballot is not cast in the authorized ballot form prepared by the <u>Board of Directors;</u> 	 the ballot is not cast in the authorized ballot form prepared by the <u>Company</u>; 	2.Text revised accordingly
 the ballot cast is blank; the ballot is unintelligible or in any way altered; 	 the ballot cast is blank; the ballot is unintelligible or in any way altered; 	
 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; 	 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; 	
 the ballot cast bears any word other than the voted (shareholder) candidate's personal name and (shareholder account) identification number; or 	 the ballot cast bears any word other than the voted (shareholder) candidate's personal name and (shareholder account) identification number; or 	
 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. 	 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 1 <u>3</u> :	Article 1 <u>2</u> :	1.Change of
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 <u>and</u> <u>supervisors</u> elect as well as their votes.	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 elect as well as their votes.	sequential No. 2.Text relevant to supervisors is deleted. 3.In line with the "Voting right shall be exercised
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.	The ballots and the number of votes electronically 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.	electronically, revised text accordingly.

Current Provision	Revision Proposed	Remark
Article 14 : The Board of Director will issue a certificate of election to the directors and/or supervisors elect each.	Article 13: The Board of Director will issue a certificate of election to the directors elect each.	 Change of sequential No. Text relevant to supervisors is deleted.
Article 1 <u>5</u> : These Rules and all subsequent amendments shall come into force on the relevant resolution adopted by the shareholders meeting.	Article 14 : These Rules and all subsequent amendments shall come into force on the relevant resolution adopted by the shareholders meeting. These Rules were established on May 14 2004 and subsequently revised as follows: September 25, 2009, December 9, 2010, June 13 2012, June 21, 2013, June 23 2015, and June 30, 2020.	 Change of sequential No. In line with this revision, previous revision dates have been added.

ScinoPharm Taiwan, Ltd.

Proposed Amendments to the Rules of Procedures for Shareholders' Meeting

Current Provision	Revision Provision	Remark
Article 3: Delete		Delete original retained sequential number in the revision
Article 4: Delete		Delete original retained sequential number in the revision
Article 3:	Article <u>3</u> :	1.Adjustment of
1~3 Omitted	1~3 Omitted	sequential
The (personal) notice and the public	The (personal) notice and the public	number
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 <u>or supervisor</u> , 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, <u>Article</u> <u>26-1 or Article 43-6 of the Securities</u> <u>and Exchange Act and/or Article</u> <u>56-1 and 60-2 of the Regulations</u> <u>Governing the Offering and</u> <u>Issuance of Securities by Securities</u>	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, proposed revision of the Articles of Incorporation, <u>Capital reduction,</u> <u>application for end of public share</u> <u>offering, permission for competition</u> <u>act by directors capital increase</u> <u>with earnings, capital increase with</u> <u>capital surplus, proposed</u> dissolution, merger, division of the Company or any of the matters provided in paragraph one of Article 185 of the Company Act, (if any)	 2.Revise the contents of item 4 of the article, in line with the revision of article 172-5 of the Company Act. 3.Revise item 5 of the article, in line the official decree No. 10702417500 issued on Aug. 6, 2018. 4.Revise the text of item 5, in line with the revision of item 1 and addition of item
<u>Issuers</u> (if any) must be listed in the proposed agenda and cannot be proposed by way of an extempore motion at the meeting.	must be listed <u>and explain major</u> <u>content in</u> the proposed agenda and cannot be proposed by way of an extempore motion at the meeting. <u>Major contents can be posted on</u> <u>website of securities regulator or</u> <u>website designated by the company,</u> <u>whose website should be specified</u> <u>in notice.</u> <u>Notice for shareholders' meeting</u> <u>includes the plan for reelection of</u>	5 of article 172-1 of Company Act. 5.Revise the sequential No. to item 7 and related text, in line with revision of item 2 of article 172-1 of Company Act.
	the board of directors, along with the starting date for the term of new directors, which cannot be changed via extempore motion or other method following completion of the reelection at the meeting.	

Current Provision	Revision Provision	Remark
The shareholder(s) whose total	The shareholder(s) whose total	
shares held represent one percent	shares held represent one percent	
(1%) or more of the total issued	(1%) or more of the total issued	
shares of the Company may make to	shares of the Company may make to	
the Company one and only one	the Company one motion to be	
motion to be listed in the proposed	listed in the proposed agenda of the	
agenda of the general shareholders	general shareholders meeting.	
meeting. The Board of Directors	Shareholders' proposal is meant to	
may decide not to include the above	prompt the company contributing to	
, motion in the agenda if the motion	public benefit and fulfilling social	
proposed runs into any of the	responsibility and therefore should	
circumstances provided in	be included in the agenda. The	
paragraph four of Article 172-1 of	Board of Directors may decide not	
the Company Act.	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	The Company shall make a public	
notice to announce the time period	notice to announce the time period	
(which shall not be less than ten	(which shall not be less than ten	
days) and the place where the	days) and the place where the	
shareholder shall send his/her	shareholder shall send his/her	
motion to be proposed to the	motion to be proposed to the	
general shareholders meeting,	general shareholders meeting,	
which public notice shall be made	accepted proposals can be in	
prior to the start date of the	written or by electronic form, which	
duration when the transfer of the	public notice shall be made prior to	
shares of the Company shall cease	the start date of the duration when	
for the purpose of the convention of	the transfer of the shares of the	
the shareholders meeting.	Company shall cease for the	
the shareholders meeting.	purpose of the convention of the	
	shareholders meeting.	
(Omittad)	(Omitted)	
(Omitted)	, ,	1 Change of
Article <u>6</u>	Article <u>4</u>	1.Change of
The venue of the shareholders	The venue of the shareholders	sequential No.
meeting shall be located at the	meeting shall be located at the	2.The company has
place where the Company is located	place where the Company is located	instituted
or where it is appropriate and	or where it is appropriate and	independent
convenient for the shareholders to	convenient for the shareholders to	directors and
attend the meeting. The meeting	attend the meeting. The meeting	revised text
shall begin no earlier than the hour	shall begin no earlier than the hour	accordingly.
of 09:00 and no later than the hour	of 09:00 and no later than the hour	
of 15:00. The venue and time of	of 15:00. The venue and time of	
the shareholders meeting shall be	the shareholders meeting shall be	
determined in consideration of the	determined in consideration of the	
relevant opinion expressed by the	relevant opinion expressed by the	
independent director(s), if any, of	independent director(s).	
<u>the Company.</u>		

Current Provision	Revision Provision	Remark
Article_7: (Omitted)	Article <u>5</u> : (omitted)	Change of sequential No.
Article 8 : (1~4 Omitted) 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 <u>and/or</u> <u>supervisor</u> delivered to each of the shareholders present at the meeting. (Omitted)	Article <u>6</u> : (1~4 Omitted) 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 delivered to each of the shareholders present at the meeting. (Omitted)	 Change of sequential No. The company has instituted independent directors to replace Supervisors, the text is revised accordingly.
Article <u>9</u> : (1~2 Omitted) 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 <u>and</u> <u>one or more supervisors</u> , 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.	Article <u>7</u> : (1~2 Omitted) 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 (including presence of at least one independent director and coordinator of the auditing committee,) 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. (Omitted.)	 Change of sequential No. The company has instituted independent directors to replace Supervisors, to materialize corporate governance and uphold shareholders' equity, revise text of item 3.
Article <u>10</u> : (Omitted)	Article <u>8</u> : (Omitted)	Change of sequential No
Article <u>11</u> :(Omitted)	Article <u>9</u> :(Omitted)	Change of sequential No
Article <u>12</u> : 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.	Article 10: The agenda of the shareholders meeting convened by the Board of Directors shall be compiled and produced by the Board of Directors. <u>Related issues proposed (including</u> <u>extempore motions and revision of</u> <u>the original issues) should</u> <u>materialize the principle of voting</u> <u>on cases one by one.</u> The meeting shall proceed strictly in accordance with the agenda except as otherwise changed by the relevant resolution	 Change of sequential No. To materialize the principle of voting on cases one by one, revise text of item 1 To prevent inability of shareholders to exercise their voting right, due

Current Provision	Revision Provision	Remark
	adopted by the shareholders	to insufficiency of
	meeting.	time.
(2~3 Omitted)	(2~3 Omitted)	
The chairperson shall accord each	The chairperson shall accord each of	
of the issues proposed and the	the issues proposed and the revision	
revision or extempore motion	or extempore motion proposed by	
proposed by the shareholders	the shareholders sufficient time for	
sufficient time for explanation and	explanation and discussion and may	
discussion and may announce that	announce that the discussion be	
the discussion be ceased and voting	ceased and voting be taken when	
be taken when he/she considers it	he/she considers it appropriate to	
appropriate to do so.	do so. <u>Sufficient voting time for</u>	
	shareholders should be provided	
		Change of
Article 1 <u>3</u> :(Omitted)	Article 1 <u>1</u> :(Omitted)	sequential No.
		Change of
Article 1 <u>4</u> :(Omitted)	Article 1 <u>2</u> : (Omitted)	sequential No.
		Change of
Article 1 <u>5</u> :(Omitted)	Article 1 <u>3</u> :(Omitted)	sequential No.
		Change of
Article 1 <u>6</u> :(Omitted)	Article 1 <u>4</u> :(Omitted)	sequential No.
		Change of
Article 1 <u>7</u> :(Omitted)	Article_15: (Omitted)	-
Auticle 19	Article 16	sequential No.
Article 1 <u>8</u> :	Article 1 <u>6</u> :	1.Change of
The election (if any) of the	The election (if any) of the	sequential No.
director(s) and/or supervisor(s) of	director(s) of the Company at the	2.The company has
the Company at the shareholders	shareholders meeting shall be in	instituted
meeting shall be in accordance with	accordance with the relevant bylaw	independent
the relevant bylaw of the Company	of the Company and the result of	directors to
and the result of the election shall	the election shall be announced at	replace
be announced at the meeting	the meeting including the name of	Supervisors; text
including the name of each director	each director elect and the amount	relevant to
elect, each supervisor elect and the	of votes for them each.	supervisors is
amount of votes for them each.		deleted.
Article <u>19</u> :	Article 17:	1.Change of
(1~2 Omitted)	(1~2 Omitted)	sequential No.
The meeting minutes shall	The meeting minutes shall	2.To materialize
accurately indicate the year, month,	accurately <u>record</u> the year, month,	the principle of
date, the venue, name of the	date, the venue, name of the	voting on cases
chairperson, method of adopting	chairperson, method of adopting	one by one,
resolutions, the gist of the	resolutions, the gist of the	revise text of
proceeding and <u>the</u> conclusion of	proceeding and the voting	item 3.
the meeting and kept by the	conclusion of the meeting <u>(including</u>	
Company throughout the existence	statistical weighting factor put on	
of the Company.	record). Disclose the amount of	
	weighted votes for every candidate	
	and kept by the Company	
	throughout the existence of the	
	Company.	

Current Provision	Revision Provision	Remark
Article <u>20</u> :	Article 18:	1.Change of
The Company shall calculate and	The Company shall calculate and	sequential No.
compile a statement on the number	compile a statement on the number	2.Revision of the
of shares to be represented at the	of shares to be represented at the	name of
meeting by the proxy solicitors and	meeting by the proxy solicitors and	competent
the proxies respectively and have	the proxies respectively and have	authority
the statement produced manifestly	the statement produced manifestly	ddenoney
displayed at the meeting in	displayed at the meeting in	
accordance with the required from	accordance with the required from	
and substance.	and substance.	
The Company shall have the	The Company shall have the	
resolutions adopted by the	resolutions adopted by the	
shareholders meeting published	shareholders meeting published	
through the Market Observation	through the Market Observation	
Post System within the required	Post System within the required	
time period, which resolutions are	time period, which resolutions are	
by definition important information	by definition important information	
under the relevant laws and	under the relevant laws and	
regulations or required by the	regulations or required by the	
Taiwan Stock Exchange Corporation.	Taiwan Stock Exchange Corporation.	
(Nonprofit Organization Gre Tai		
Securities Market).		
		Change of
Article <u>21</u> :(Omitted)	Article <u>19</u> :(Omitted)	Change of sequential No.
		Change of
Article 2 <u>2</u> :(Omitted)	Article 2 <u>0</u> :(Omitted)	sequential No.
Article 23	(Deleted)	The company has
Provisions of these Rules applicable		instituted
to Supervisors shall apply to the		independent
Audit Committee of the Company (if		directors to replace
any) with necessary and		supervisors,
appropriate alterations.		therefor this article
		is deleted.
Article 2 <u>4</u>	Article 2 <u>1</u>	1.Change of
These Rules and all subsequent	These Rules and all subsequent	sequential No.
amendments shall come into force	amendments shall come into force	2.In line with this
on the relevant resolution adopted	on the relevant resolution adopted	revision, previous
by the shareholders meeting.	by the shareholders meeting.	revision dates
	These Rules were established on	have been
	March 13, 2003 and subsequently	added.
	revised as follows: May 14,2004,	
	September 25, 2009, July 6, 2010,	
	June 13, 2012, June 21, 2013, Jun	
	23, 2015 and June 30, 2020.	

Appendix 10

Details of the Duties subject to releasing directors and independent Directors from Non-competition

As of 04/30/2020

	As of 04/30/2020
Name	Current Position with Other Company
	Chairman of : Uni-President Enterprises Corp., Uni-President Natural Industrial Corp., Ton Yi Industrial Corp., TTET Union Corp., Prince Housing & Development Corp., President Packaging Industrial Corp., Woongjin Foods Co., Ltd., Daeyoung Foods Co.,Ltd., President International Development Corp., Uni-President China Holdings Ltd., Changjiagang President Nisshin Food Co., Ltd., Uni-President (Philippines) Corp.,Uni-President (Thailand) Ltd., Uni-President (Vietnam) Co., Ltd., Uni-President Enterprises (China) Investment Co., Ltd., President Chain Store Corp., Uni-President Cold-Chain Corp., Presco Netmarketing Inc., Uni-President Dream Parks Co., President Century Corp., President Property Corp., Cheng-Shi Investment Holding Co., Uni-OAO Travel Service Corp., Prince Real Estate Co., Ltd., Times Square International Holding Co., Times Square International Stays Corp., Time Square International Hotel Corp.
	Vice Chairman of : President Nisshin Corp.
	Director of :
Uni-President Enterprises Corp. Representative Chih-Hsien Lo	Presicarre Corp., Uni-Wonder Corp., Uni-President Organics Corp., Uni-President Glass Industrial Co., Ltd., Cayman President Holdings Ltd., Kai Yu (BVI)Investment Co., Ltd., President Fair Development Corp., Uni-PresidentSoutheast Asia Holdings Ltd., Uni-President Asia Holdings Ltd., Uni-President Hong Kong Holdings Limited, Champ Green CapitalLimited, Champ Green (Shanghai) Consulting Co., Ltd., Guangzhou President Enterprises Co., Ltd., Fuzhou President Enterprises Co., Ltd., Xinjiang President Enterprises Food Co., Ltd., Wuhan President Enterprises Foods Co., Ltd., Kunshan President Enterprises Food Co.,Ltd., Chengdu President Enterprises Food Co., Ltd., Shenyang President Enterprises Co., Ltd., Harbin President Enterprises Co., Ltd., Hefei President Enterprises Co., Ltd., Zhenzhou President Enterprises Co., Ltd., Beijing President Enterprises Drinks Co., Ltd., Uni-President Enterprises (Kunshan) Food Technology Co., Ltd., Nanchang President Enterprises Co., Ltd., Uni-President Trading (Hubei) Co., Ltd., President (Shanghai) Trading Co., Ltd., Kunming President Enterprises Food Co., Ltd., Yantai Tongli Beverage Industries Co., Ltd., Changsha President Enterprises Co., Ltd., Bama President Mineral Water Co., Ltd., Nanning President Enterprises Co., Ltd., Zhanjiang President Enterprises Co., Ltd., Akesu President Enterprises Co., Ltd., Changchun President Enterprises Co., Ltd., Uni-President (Shanghai) Pearly Century Co., Ltd., Baiyin President Enterprises Co., Ltd., Changchun President Enterprises Co., Ltd., Uni-President (Shanghai) Pearly Century Co., Ltd., Baiyin President Enterprises Co., Ltd., Hainan President Enterprises Co., Ltd., Guiyang President Enterprises Co., Ltd., Jinan President Enterprises Co., Ltd., Hangzhou President Enterprises Co., Ltd., Wuxue President Mineral Water Co., Ltd., Shijiazhuang President Enterprises Co., Ltd., Xuzhou

Name	Current Position with Other Company
	President Enterprises Co., Ltd., Henan President Enterprises Co., Ltd., President (Kunshan) Trading Co., Ltd., Shaanxi President Enterprises Co., Ltd., Jiangsu President Enterprises Co., Ltd., Changbaishan Mountain President Enterprises (Jilin) Mineral Water Co., Ltd., Ningxia President Enterprises Co., Ltd., President Enterprises (Shanghai) Co., Ltd., President Enterprises (Inner Mongolia) Co., Ltd., Shanxi President Enterprises Co., Ltd., Uni-President Enterprise(Hutubi) Tomato Products Technology Co., Ltd., Uni-President Enterprises (Shanghai) Drink & Food Co., Ltd., Uni-President Enterprises (Shanghai) Drink & Food Co., Ltd., Uni-President Enterprises (Tianjin) Co., Ltd., Hunan President Enterprises Co., Ltd., President Packaging Holdings Ltd., Kuang Chuan Dairy Co., Ltd., Kuang Chuan Foods Ltd., President Energy Development (Cayman Islands) Ltd., Uni-President Development Corp., President Professional Baseball Team Corp., Tait Marketing & Distribution Co., Ltd., Wei Lih Food Industrial Co., Ltd., Howard Beach Resort Kenting Co., Ltd., Nanlien International Corp., President Chain Store (BVI)Holdings Ltd., President Chain Store (Labuan) Holdings Ltd., Tone Sang Construction Corp., Retail Support International Corp., Uni-President Assets Holdings Ltd., Prince Property Management Consulting Co., Kao Chyuan Inv. Co., Ltd.
Uni-President Enterprises Corp. Representative: Tsung-Ming Su	 Chairman of : President Life Sciences Co., Ltd., Tong Yu Investment Corp. Uni-President Development Corp., AndroSciences Corp. Director of : President Chain Store Corp., Grand Bills Finance Corp., President International Development Corp., Uni-President China Holdings Ltd. ScinoPharm Taiwan, Ltd., President Tokyo Corp., Uni-President Hong Kong Holdings Limited, Ltd., President Tokyo Auto Leasing Corp., Ltd., Tong Sheng (Suzhou) Car Rental Co., Ltd., Xiang Lu Industrial Ltd., President (BVI) International Investment Holdings Ltd., President Energy Development (Cayman Islands) Ltd., President Life Sciences Cayman Co., Ltd., SPT International, Tanvex Biologics, Inc. Supervisor of : Presicarre Corp., Uni-President Enterprises (China) Investment Co., Ltd., President of : President International Development Corp., President Property Corp.
Kao Chyuan Inv. Corp. Representative: Shiow-Ling Kao	 Chairman of : Kao Chyuan Inv. Corp., President Being Corp., President Fair Development Corp., Uni-President Department Store Corp., President Pharmaceutical Corp., President Drugstore Business Corp., Director of : Uni-President Enterprises Corp., President Chain Store Corp., Ton Yi Industrial Corp., Prince Housing & Development Corp., President International Development Corp., Uni-President Development Corp., Time Square International Co., Ltd., Times Square International Holding

Name	Current Position with Other Company
	Co., Uni-Wonder Corp., President Century Corp., President (Shanghai) Health Product Trading Company Ltd., Beauty Wonder (Zhejiang)Trading Co., Ltd.
	President of : Kao Chyuan Inv. Corp., President Fair Development Corp.
Tainan Spinning Co., Ltd. Representative: Po-Ming Hou	 Chairman of : Tainan Spinning Co., Ltd., Nan-Fan Housing Development Co., Ltd. Tainan Spinning Co., Ltd.(Vietnam), Nan-Fan International Investment(Cayman), Ltd. Tainan Textile Co., Ltd., Tainan Spinning Retail & Distribution Co., Ltd., `Yu Peng Investment Co., Itd., New Yupeng Investment Co., Ltd., Tainan Spinning Cultural and Educational Foundation. Director of : Uni-President Enterprises Corp., Prince Housing & Development Corp., Nantex Industry Co., Ltd., Nanfang Development Co., Ltd., Tainan Spinning Holdings (Cayman Islands) Co., Ltd., T. G. I. Co., Ltd., President International Development Corp., Times Square International Holding Co., Times Square International Stays Corp., Howard Beach Resort Kenting Co., President Fair Development Corp., Tung Lo Development Co., Ltd., Prince Real Estate Co., Ltd. Group Chairman : Tainan Spinning Co., Ltd.
Uni-President Enterprises Corp. Representative: Tsung-Pin Wu	 Chairman of : Tung –Ren Pharmaceutical Corp., Kai Nan Investment Co., Director of : President Chain Store Corp., Prince Housing &Development Corp., Uni-President Hong Kong Holdings Limited, Kuang Chuan Dairy Co., Ltd., Kuang Chuan Foods Ltd., Cheng-Shi Investment Holding Co., Tung Lo Development Co., Tone Sang Construction Corp., Prince Real Estate Co., Ltd., Times Square International Holding Co., Ltd., Time Square International Co., Ltd., President Fair Development Corp. President International Trade & Investment Corp., Uni-President (Vietnam) Co., Ltd. Supervisor of : President Kikkoman Inc., Kunshan President Kikkoman Biotechnology Co., Ltd., President International Development Corp., President Kikkoman Zhenji Foods Co., Ltd. President Century Corp., President Baseball Team Corp., Mean Da Enterprise Co., Ltd., Nanlien nternational Corp., Times Square International Stays Corp., Woongjin Foods Co., Ltd., Daeyoung Foods Co., Ltd.
Uni-President Enterprises Corp. Representative: Kun-Shun Tsai	Chairman of : Uni-President Oven Bakery Corp., Director of : Tung – Ren Pharmaceutical Corp.,
Uni-President Enterprises Corp. Representative: Jia-Horng Guo	Vice Chairman of : Taishin Securities Co., Ltd. Independent Director of : Partner Tech Corp., Global Brands Manufacture Ltd. Supervisor of : Standard Motor Corp., Dynasty Techwood Corp.

Name	Current Position with Other Company
President International Development Corp. Representative: Chiou-Ru Shih	Director of : SyNergy ScienTech Corp., President Life Sciences Co., Ltd., President Life Sciences Cayman Co., Ltd. ,Helios Bioelectronics Inc., Grand Bills Finance Corp., IMQ Technology Inc., Dabomb Protein Corp. Vice President of : President International Development Corp.
National Development Fund, Executive Yuan	Director of : Genovate Biotechnology Co., Taiwan Biotech Co., Ltd., Taiwan Flower Biotechnology Co., Ltd., United Biomedical Inc. (Asia), Adimmune Corp., TaiGen Biopharmaceuticals Holdings Ltd., PharmaEssentia Corp., PharmaEngine Inc., TaiAn Technologies Corp., TaiMed Biologics Inc., EirGenix Inc., MetaTech Inc., Apex Medical Corp.
National Development Fund, Executive Yuan Representative: Ming-Chuan Hsieh	Director of : Harbinger VI Venture Capital Corp., Harbinger VII Venture Capital Corp., Independent Director of : Uni Pharma Co., Ltd Supervisor of : Han Tong Investment Inc. Remuneration Committee member of : PharmaEssentia Corp.
Taiwan Sugar Corp.	Taiwan Sugar Corp. Director of : United Biomedical Inc. (Asia), TaiGen Biopharmaceuticals Holdings Ltd.
Taiwan Sugar Corp. Representative: Kuo-Hsi Wang	Vice President of : Taiwan Sugar Corp. Director of : TaiGen biotechnology Co., Ltd.
Wei-Te Ho	Independent Director of : Tainan Spinning Co., Ltd.
Wen-Chang Chang	Chairman of : Taipei Medical University Independent Director of : Universal Cement Corp.

IV. <u>Exhibits</u>

<u>Exhibit 1</u>

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. in English.

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.

All of the Company's shares bear the signatures and seals of the Company's directors and shall be issued with certification by banks with qualification to be legally authorized registrars for stock issuance. The Company may elect not to produce the certificates on the shares issued after completing the registration of the issued shares with the centralized securities depository institution.

Article 8

All of the shares of the Company are registered ones. 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 to the Company for registry.

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 according to the "Criteria Governing Handling of Stock Affairs by Public Stock Companies," unless there is different stipulation in legislation and securities regulations.

Article 11

The shareholder shall report his/her/its legal name and the address of his/her/its domicile, as well as the specimen card of his/her/its seal for keeping by the Company.

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 cannot be made within a period of sixty (60) days prior to the General Shareholders' Meeting, thirty (30) days prior to an Extraordinary Shareholders' Meeting, and five (5) days prior to the start date of distribution of dividend, bonus or other interests in the shares held.

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.

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 and other legislations, the Shareholders' Meeting must be attended by the shareholders in person or their proxies representing over half of the shares in issued. 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, The related operation shall be in accordance with the "Rules Governing the Use of Proxies for Attendance at Shareholder Meeting of Public Companies" and other related legislations.

Article 19

Unless stipulated otherwise in the Company Act, the shareholders' meeting of the Company shall be convened by the board of directors and chaired by the chairperson of the board of directors. In case the chairperson cannot exercise the duty, whether on leave or for other reasons, he/she shall designate a director in his/her stead. If the chairperson fails to make the designation, other directors share elect one among them to chair the meeting. In case the shareholders' meeting is not convened by the board of the directors, the convener shall chair the meeting. If there are two or more conveners, they shall elect one among them to chair the meeting.

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.

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 three terms. Subject to the relevant resolution adopted by the meeting of the Board of Directors, liabilities insurance will be procured for the Director elect. Percentage of total shares owned by directors is set according to the Company Act and the 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 meeting 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

Unless stipulated otherwise in the Company Act, the meeting of the board of directors shall be convened by the chairperson of the board of directors, who shall notify, in written form or via fax or e-mail, directors on the date, venue, and agenda seven days prior to the meeting. In the event of urgency, the meeting of the board of directors can be convened anytime via the aforementioned methods of notification.

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 appropriation 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.

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 institutes managerial staffers, including a general management and a number of deputy general managers, whose appointment, dismissal, and compensations shall be made according to the resolutions of the board of directors.

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.

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 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 appropriation 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

Given the changeful industrial environment for the Company's business, in formulating earnings distribution plan, the board of directors shall take into account the Company's project for capital outlays and funding needs, as well as the use of earnings to meet the financial needs, before determining the allocation of earnings for reserved earnings or distribution, including the amount of distribution and dividend payout for shareholders in cash.

In case there are earnings in the Company's annual final accounts, the earnings shall be appropriated for payment of business income tax and makeup for accumulated debts from past years. Afterwards, ten percent of the surplus, should it exist, shall be appropriated for legal reserve, unless the accumulated legal reserve has exceeded the Company's paid-in capital. The remainder, if any, can be appropriated for special reserve, with the balance to be added to the accumulated undistributed earnings from past years as accumulated distributable earnings. Dividends for shareholders shall be equivalent to 50% to 100% of the accumulated distributable earnings, with cash dividends no less than 30% of the total dividend payment of the year. The board of directors formulates the earnings distribution plan for ratification by shareholders' meeting before execution of the payout.

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, 21st revision of June 27, 2016, 21st revision of June 27, 2016, 22nd revision of June 27, 2018 and 23rd revision of June 27, 2019.

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

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

Adopted by the Shareholders' Meeting of June 23,2015

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.

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.

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.

ScinoPharm Taiwan, Ltd. Rules of Procedures for Shareholders' Meeting

Adopted by the Shareholders' Meeting of June 23,2015

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. 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 exercises 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 from 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.

<u>Exhibit 4</u>

The Impact of Stock dividend issuance on Business Performance, EPS, and Shareholder Return Rate $\stackrel{:}{}$

Not applicable because the Company's Board of Directors did not propose stock dividend distribution for the year of 2019.

<u>Exhibit 5</u>

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:

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 Fu-Jung Lai	299,968,639
Director	National Development Fund, Executive Yuan Representatives: Ming-Chuan Hsieh Ya-Po Yang	109,539,014
Director	Tainan Spinning Co., Ltd. Representative: Po-Ming Hou	23,605,921
Director	Kao Chyuan Investment Co., Ltd. Representative: Shiow-Ling Kao	14,832,733
Director	President International Development Corp. Representative: Chiou-Ru Shih	28,673,421
Director	Taiwan Sugar Corp. Representative: Kuo-Hsi Wang	32,581,963
Independent Director	Wei-Te Ho	_
Independent Director	Wen-Chang Chang	_
Independent Director	Li-Tzong Chen	_
Total		509,201,691

As of April 30, 2020

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.







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