

ScinoPharm Taiwan, Ltd.
2020 Annual General Shareholders' Meeting Minutes
(Translation)

Time and Date: 10:00a.m., Tuesday, June 30, 2020

Place: Wellness Center STSP

No. 20, Sec. 2, Huandong Rd., Shanhuia Dist., Tainan City 741, Taiwan

Total shares represented by shareholders present in person or by proxy: 617,364,103 shares (including 478,096,284 shares voted electronically), accounted for 78.07% of the total 790,739,222 outstanding shares.

Chairperson: Chih-Hsien Lo

Recorder: Jane Liu

Directors Present: Chairman Chih-Hsien Lo 、 Tsung-Ming Su 、 Po-Ming Hou 、 Jia-Horng Guo 、 Kun-Shun Tsai 、 Tsung-Pin Wu 、 Fu-Jung Lai 、 Ya-Po Yang 、 Kuo-Hsi Wang 、 Chiou-Ru Shih 、 Wei-Te Ho (independent director- Chairman of the Audit committee) 、 Wen-Chang Chang (Independent director)

Attendees: Yung-Chih Lin (CPA), Albert Fang (Attorney)

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The chairman called the meeting to order.

A. Chairperson's address (omitted)

B. Report Items

(1). 2019 Business Report.

Explanation: The business report for 2019 is attached as Appendix 1.

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

Explanation: The Audit Committee Review's Report for 2019 is attached as Appendix 2.

(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 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 of the Meeting minutes of Contrast Table of the Rules of Procedure for Board of Directors Meeting of the Company.

C. 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 and Appendices 4~5 for the Business Report, Auditors' Reports, parent and consolidated financial statements.

Voting Result –

Shares represented at the time of voting: 611,700,814

Voting Results*		% of the total represented share present
Votes in favor:	609,880,003 votes (476,275,473 votes)	99.70%
Votes against:	66,856 votes (66,856 votes)	0.01%
Abstained votes/ No vote:	1,753,955 votes (1,753,955 votes)	0.29%
Votes invalid	0 votes	0%

*including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

(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.
- 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.

Voting Result –

Shares represented at the time of voting: 611,700,814

Voting Results*		% of the total represented share present
Votes in favor:	609,875,490 votes (476,270,960 votes)	99.70%
Votes against:	71,234 votes (71,234 votes)	0.01%
Abstained votes/ No vote:	1,754,090 votes (1,754,090 votes)	0.29%
Votes invalid	0 votes	0%

*including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

D. 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 of the Meeting minutes of Contrast Table of the Articles of Incorporation of the Company.

Voting Result –

Shares represented at the time of voting: 611,700,814

Voting Results*		% of the total represented share present
Votes in favor:	608,975,170 votes (475,370,640 votes)	99.55%
Votes against:	968,854 votes (968,854 votes)	0.16%
Abstained votes / No vote:	1,756,790 votes (1,756,590 votes)	0.29%
Votes invalid	0 votes	0%

*including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

(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 of the Meeting minutes of Contrast Table of Rules Governing Election of Directors of the Company.

Voting Result –

Shares represented at the time of voting: 611,700,814

Voting Results*		% of the total represented share present
Votes in favor:	609,877,168 votes (476,272,638 votes)	99.70%
Votes against:	66,857 votes (66,857 votes)	0.01%
Abstained votes / No vote:	1,756,789 votes (1,756,789 votes)	0.29%
Votes invalid	0 votes	0%

*including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

(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 of the Meeting minutes of Contrast Table of Rules of Procedures for Shareholders' Meeting of the Company.

Voting Result –

Shares represented at the time of voting: 611,700,814

Voting Results*		% of the total represented share present
Votes in favor:	609,877,168 votes (476,272,638 votes)	99.70%
Votes against:	66,856 votes (66,856 votes)	0.01%
Abstained votes/ No vote:	1,756,790 votes (1,756,790 votes)	0.29%
Votes invalid	0 votes	0%

*including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

(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.

Voting Result –

Shares represented at the time of voting: 611,700,814

Voting Results*		% of the total represented share present
Votes in favor:	602,136,087 votes (468,531,557 votes)	98.44%
Votes against:	82,435 votes (82,435 votes)	0.01%
Abstained votes / No vote:	9,482,292 votes (9,482,292 votes)	1.55%
Votes invalid	0 votes	0%

*including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

E. Extemporary motions

F. Meeting adjourned

Appendix 1

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 quality 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

Appendix 2

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

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

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 items with specified contents during its recess	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 items with specified contents during its recess	In line with removal of the sequential number of article 17 and the contents of the previous and next articles, change article 19 to article 17.
Article 20: Implementation & Revision 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 December 19, 2017	Article 19: Implementation & Revision 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 December 19, 2017, <u>4th revision of March 20 2020.</u>	1. In line with the change of article 19 to article 17, change article 20 to article 19. 2. In line with the revision, add the 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.

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

Assets		Notes	December 31, 2019		December 31, 2018	
			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 profit or loss - current	6(2)	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 other comprehensive income - non-current	6(5)	415,210	4	468,117	4
1550	Investments accounted for under equity method	6(6)	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			December 31, 2019		December 31, 2018	
			AMOUNT	%	AMOUNT	%
Current liabilities						
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	-	-	-
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)	(1)	39,616	1
3XXX	Total equity		10,259,944	90	10,539,032	94
Significant contingent liabilities and unrecognised contract commitments			7 and 9			
Significant events after the balance sheet date			11			
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.

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

		Year ended December 31				
			2019		2018	
Items	Notes		AMOUNT	%	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)	(59)	(1,808,470)	(52)
5900	Net operating margin		1,135,660	41	1,661,639	48
	Operating expenses	6(12)(22)(23), 7, 9 and 12				
6100	Selling expenses		(160,552)	(6)	(151,924)	(4)
6200	General and administrative expenses		(446,039)	(16)	(449,576)	(13)
6300	Research and development expenses		(206,570)	(7)	(295,064)	(9)
6450	Gain on reversal of (expected credit losses)		(202)	-	95	-
6000	Total operating expenses		(813,363)	(29)	(896,469)	(26)
6900	Operating profit		322,297	12	765,170	22
	Non-operating income and expenses					
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 ventures accounted for using equity method	6(6)	(117,725)	(4)	(306,232)	(9)
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)	(1)	(24,673)	(1)
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 plans	6(12)	(\$ 5,936)	-	(\$ 8,328)	-
8316	Unrealised losses from equity instruments measured at fair value through other comprehensive income	6(5)(17)	(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)	(2)	(21,487)	(1)
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)				
9750	Basic		\$ 0.27		\$ 0.56	
9850	Diluted		\$ 0.27		\$ 0.56	

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

		Retained Earnings					Other Equity Interest		
		Share capital - common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
	Notes								
<u>For the year ended December 31, 2018</u>									
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)	-	-	-	-	-	-	148,475	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(5)(17)	-	-	-	-	(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(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 other comprehensive income	6(5)(17)	-	-	-	-	(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
<u>For the year ended December 31, 2019</u>									
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	6(5)(17)	-	-	-	-	216,656	-	-	216,656
Other comprehensive loss for the year ended December 31, 2019		-	-	-	-	(4,749)	(56,865)	(48,718)	(110,332)
Total comprehensive income (loss) for the year ended December 31, 2019		-	-	-	-	211,907	(56,865)	(48,718)	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	-	(1,859)	-
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 parent company only financial statements.

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

		For the years ended December 31,	
	Notes	2019	2018
CASH 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 price decline	6(4)	(2,590)	(40,832)
Provision for obsolescence of supplies		5,972	7,183
Share of loss of subsidiaries, associates and joint ventures accounted for under equity method	6(6)	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)

		For the years ended December 31,	
	Notes	2019	2018
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of financial assets at fair value	6(5)		
through other comprehensive income		\$ 4,189	\$ 3,733
Acquisition of investments accounted for under the	6(6)		
equity method - subsidiary		(1,192,251)	(409,150)
Cash paid for acquisition of property, plant and	6(26)		
equipment		(15,925)	(50,033)
Proceeds from disposal of property, plant and equipment		-	78
Acquisition of intangible assets		(2,249)	(2,888)
Increase in prepayments for equipment		(71,998)	(65,325)
(Increase) decrease in guarantee deposits paid		(4,341)	326
Increase in other financial assets - non-current		-	(439)
Net cash flows used in investing activities		(1,282,575)	(523,698)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) increase in short-term borrowings	6(27)	(61,694)	61,694
Repayment of the principal portion of lease liabilities	6(27)	(11,335)	-
Decrease in guarantee deposits received	6(27)	(1,618)	(2)
Payment of cash dividends	6(16)	(387,462)	(379,555)
Net cash flows used in financing activities		(462,109)	(317,863)
Net (decrease) increase in cash and cash equivalents		(1,055,046)	399,632
Cash and cash equivalents at beginning of year	6(1)	4,075,456	3,675,824
Cash and cash equivalents at end of year	6(1)	\$ 3,020,410	\$ 4,075,456

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

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

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

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

Assets		Notes	December 31, 2019		December 31, 2018			
			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 profit or loss - current	6(2)		2,920	-		409	-
1136	Financial assets at amortised cost - current	6(3)		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 other comprehensive income - non-current	6(6)		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)

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

Liabilities and Equity			Notes	December 31, 2019		December 31, 2018		
				AMOUNT	%	AMOUNT	%	
Current liabilities								
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								
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
3XXX	Total equity			10,259,944	88		10,539,032	84
Significant contingent liabilities and unrecognised contract commitments		9						
Significant events after the balance sheet date		11						
3X2X	Total liabilities and equity		\$	11,674,564	100	\$	12,563,328	100

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

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

				Year ended December 31			
		Notes	2019		2018		
Items			AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(20)	\$ 2,892,783	100	\$ 3,524,263	100	
5000	Operating costs	6(5)(24)(25) and 9	(1,716,378)	(59)	(1,981,749)	(56)	
5900	Net operating margin		<u>1,176,405</u>	<u>41</u>	<u>1,542,514</u>	<u>44</u>	
	Operating expenses	6(9)(24)(25), 7, 9 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		<u>(909,551)</u>	<u>(32)</u>	<u>(984,102)</u>	<u>(28)</u>	
6900	Operating profit		<u>266,854</u>	<u>9</u>	<u>558,412</u>	<u>16</u>	
	Non-operating income and expenses						
7010	Other income	6(3)(21)	91,850	3	48,597	1	
7020	Other gains and losses	6(2)(10)(22)	(37,961)	(1)	(36,299)	(1)	
7050	Finance costs	6(23)	(55,689)	(2)	(80,169)	(2)	
7000	Total non-operating income and expenses		<u>(1,800)</u>	<u>-</u>	<u>(67,871)</u>	<u>(2)</u>	
7900	Profit before income tax		<u>265,054</u>	<u>9</u>	<u>490,541</u>	<u>14</u>	
7950	Income tax expense	6(26)	(48,398)	(1)	(47,563)	(1)	
8200	Profit for the year		<u>\$ 216,656</u>	<u>8</u>	<u>\$ 442,978</u>	<u>13</u>	
	Other comprehensive income						
	Components of other comprehensive (loss) income that will not be reclassified to profit or loss						
8311	Actuarial losses on defined benefit plans	6(14)	(\$ 5,936)	-	(\$ 8,328)	-	
8316	Unrealised losses from equity instrument measured at fair value through other comprehensive income	6(6)(19)	(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(26)	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(19)	(56,865)	(2)	(21,487)	(1)	
8300	Total other comprehensive loss for the year		<u>(\$ 110,332)</u>	<u>(4)</u>	<u>(\$ 95,774)</u>	<u>(3)</u>	
8500	Total comprehensive income for the year		<u>\$ 106,324</u>	<u>4</u>	<u>\$ 347,204</u>	<u>10</u>	
	Profit attributable to:						
8610	Owners of the parent		<u>\$ 216,656</u>	<u>8</u>	<u>\$ 442,978</u>	<u>13</u>	
	Comprehensive income attributable to:						
8710	Owners of the parent		<u>\$ 106,324</u>	<u>4</u>	<u>\$ 347,204</u>	<u>10</u>	
	Earnings per share (in dollars)	6(27)					
9750	Basic		<u>\$ 0.27</u>		<u>\$ 0.56</u>		
9850	Diluted		<u>\$ 0.27</u>		<u>\$ 0.56</u>		

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

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

		Equity attributable to owners of the parent							
		Retained Earnings					Other Equity Interest		
		Share capital - common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
Notes									
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		<u>7,907,392</u>	<u>1,286,872</u>	<u>526,065</u>	<u>22,829</u>	<u>693,832</u>	<u>(19,765)</u>	<u>148,475</u>	<u>10,565,700</u>
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		<u>\$ 7,907,392</u>	<u>\$ 1,292,555</u>	<u>\$ 568,302</u>	<u>\$ 22,829</u>	<u>\$ 708,338</u>	<u>(\$ 41,252)</u>	<u>\$ 80,868</u>	<u>\$ 10,539,032</u>
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	(56,865)	(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		<u>\$ 7,907,392</u>	<u>\$ 1,294,605</u>	<u>\$ 612,600</u>	<u>\$ 22,829</u>	<u>\$ 490,344</u>	<u>(\$ 98,117)</u>	<u>\$ 30,291</u>	<u>\$ 10,259,944</u>

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

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

	Notes	For the years ended December 31,	
		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 market price decline	6(5)		
Provision for obsolescence of supplies		(51,413)	(28,851)
Depreciation of property, plant and equipment	6(7)(24)	8,006	8,980
Depreciation of right-of-use assets	6(8)(24)	379,537	395,379
Property, plant and equipment transferred to loss	6(7)	16,972	-
Loss on disposal of property, plant and equipment	6(22)	22,726	14,349
(Gain on reversal of) impairment loss	6(7)(10)(22)	39	75
Amortisation	6(24)	707	(2,273)
Prepayments for equipment transferred to loss		12,206	10,442
Amortisation of long-term prepaid rent	6(9)	1,967	-
Employee stock option compensation cost	6(16)(17)	-	1,858
Interest income	6(21)	2,050	5,683
Interest expense	6(23)	(37,976)	(33,234)
Changes in operating assets and liabilities		55,689	80,169
Changes in operating assets			
Accounts receivable		(31,599)	8,453
Other receivables		33,791	92,033
Inventories		293,845	340,142
Prepayments		(43,565)	7,320
Changes in operating liabilities			
Contract liabilities - current		25,368	1,721
Notes payable		205	(13)
Accounts payable		11,625	(1,391)
Other payables		(12,793)	6,429
Net defined benefit liabilities - non-current		(617)	(777)
Cash inflow generated from operations		949,527	1,396,542
Interest received		37,057	31,668
Interest paid		(63,570)	(76,487)
Income tax paid		(134,069)	(120,129)
Net cash flows from operating activities		788,945	1,231,594

(Continued)

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

	Notes	For the years ended December 31,	
		2019	2018
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
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 value through other comprehensive income	6(6)	4,189	3,733
Cash paid for acquisition of property, plant and equipment	6(28)	(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)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings	6(29)	(140,356)	(137,723)
Repayment of the principal portion of lease liabilities	6(29)	(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

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

Appendix 6

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	<u>1,859,980</u>
Distributable profit from this period	<u>147,106,053</u>
Plus: Accumulated undistributed earnings from previous period	<u>276,576,602</u>
Total distributable earnings as of this period	<u>423,682,655</u>
Dividends to shareholders	
(Cash dividend TWD 270 on each 1,000 shares held)	<u>(213,499,590)</u>
Undistributed earnings as of the end of the period	<u><u>\$210,183,065</u></u>

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 <u>Industrial</u> 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 resolution adopted by the meeting of the Board of Directors, liabilities insurance will be procured for the 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 liabilities insurance for the Directors elected during their 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
<p>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, 201,3 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.</p>	<p>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, 201,3 20th revision of June 18, 2014, 21st revision of June 27, 2016, 21st revision of June 27, 2016, 22nd revision of June 27, 2018 , 23rd revision of June 27, 2019 and <u>24th revision of June 30,2020.</u></p>	<p>Revision dates have been added.</p>

Appendix 8

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 : These Rules are established under Articles 21 <u>and 41</u> of the Corporate Governance Best Practice Principles for Publicly Listed And Traded-Over-The-Counter Companies with a view to the open, fair and just elections of the directors and <u>supervisors</u> of the Company.	Article 1 : These Rules are established under Articles 21 of the Corporate Governance Best Practice Principles for Publicly Listed And Traded-Over-The-Counter Companies with a view to the open, fair and just elections of the directors of the Company.	The company has instituted independent directors to replace Supervisors. In line with the revision, text relevant to supervisors is deleted.
Article 2 : Except as otherwise provided by laws, regulations or the Articles of Incorporation of the Company, the directors <u>and supervisors</u> of the Company shall be elected in accordance with these Rules.	Article 2 : Except as otherwise provided by laws, regulations or the Articles of Incorporation of the Company, the directors of the Company shall be elected in accordance with these Rules.	Remark is same with Article 1
Article 2-1 : <u>Provisions of these Rules applicable to Supervisors shall apply to the Audit Committee of the Company (if any) with necessary and appropriate alterations.</u>	Deleted	Remark is same with Article 1
Article 4 : <u>The supervisor of the Company must</u> <u>1. be honest and have integrity;</u> <u>2. be able to make fair and just judgment;</u> <u>3. have special knowledge;</u> <u>4. have extensive experience;</u> <u>5. be able to read financial statements;</u>	Deleted	Remark is same with Article 1

Current Provision	Revision Proposed	Remark
<p><u>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.</u></p> <p><u>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.</u></p> <p><u>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.</u></p> <p><u>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.</u></p>		
<p>Article 5 :</p> <p>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.</p> <p>The election of the independent director of the Company shall be in accordance with Articles 5, 6, <u>7, 8 and 9</u> 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.</p>	<p>Article 4 :</p> <p>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.</p> <p>The election of the independent director of the Company shall be in accordance with Articles 5, 6 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.</p>	<p>1.Change of sequential No.</p> <p>2.In consideration of practical operation, revised the applicable Regulations.</p>

Current Provision	Revision Proposed	Remark
<p>Article 6 : The directors <u>and supervisors</u> of the Company shall be elected based on nomination in accordance with Article 192-1 of the Company Act. <u>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.</u> <u>The result of the investigation must be presented to the shareholders for consideration for them to elect appropriate directors, supervisors for the Company.</u> 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 <u>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</u>, new independent directors shall be elected by the upcoming shareholders meeting to fill the vacancies. Where all of the independent directors have been</p>	<p>Article 5 : The directors of the Company shall be elected based on nomination in accordance with Article 192-1 of the Company Act.</p> <p>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 <u>the Article 23 of the Articles of Incorporation</u>, 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</p>	<p>1.Change of sequential No. 2 The company has instituted independent directors to replace Supervisors. In line with the revision, text relevant to supervisors is deleted. 3.In line with removal of the regulation on screening of director nominees by the board of directors in article 192-1 of Company Act, text relevant to “screening of director nominees” is deleted.</p>

Current Provision	Revision Proposed	Remark
<p>removed or discharged, an extraordinary shareholders meeting must be convened within 60 days of the occurrence to elect new independent directors.</p> <p><u>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.</u></p> <p><u>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.</u></p>	<p>independent directors.</p>	
<p>Article 7 :</p> <p>The nominated cumulative voting system <u>shall be adopted for the election of the directors and the supervisors</u> of the Company:</p> <p>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.</p> <p>The Company adopts the candidates' nomination system for the election of the independent director. The shareholders will elect from among the candidates nominated.</p> <p>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.</p>	<p>Article 6 :</p> <p>The nominated cumulative voting system is adopted for the election of the directors of the Company:</p> <p>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.</p> <p>The Company adopts the candidates' nomination system for the election of the independent director. The shareholders will elect from among the candidates nominated.</p> <p>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.</p>	<p>1.Change of sequential No.</p> <p>2.Text relevant to supervisors is deleted.</p>

Current Provision	Revision Proposed	Remark
Article 8 : The Board of Directors shall prepare the ballot forms in the same amount as the number of the directors <u>and supervisors</u> 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 7 : <u>The Company</u> shall prepare the ballot forms in the same amount as the number of the directors 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. <u>The Ballot forms will not be reprinted if the shareholders voted electronically.</u>	1.Change of sequential No. 2.Text relevant to supervisors is deleted. 3.In line with the "Voting right shall be exercised electronically, revised text accordingly.
Article 9 : Subject to the number of directors <u>and supervisors</u> 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 8 : Subject to the number of directors 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.	1.Change of sequential No. 2.Text relevant to supervisors is deleted.
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 <u>be prepared by the Board of Directors</u> and openly inspected by the scrutineers before the voting commences.	Article 9 : 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 <u>be prepared by the Company</u> and openly inspected by the scrutineers before the voting commences.	1.Change of sequential No. 2.Text revised accordingly
Article 11 : Omitted	Article 10 : Omitted	Change of sequential No.

Current Provision	Revision Proposed	Remark
<p>Article 12 : The vote cast shall be void if</p> <ol style="list-style-type: none"> 1. the ballot is not cast in the authorized ballot form prepared by the <u>Board of Directors</u>; 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. 	<p>Article 11 : The vote cast shall be void if</p> <ol style="list-style-type: none"> 1. the ballot is not cast in the authorized ballot form prepared by the <u>Company</u>; 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. 	<ol style="list-style-type: none"> 1.Change of sequential No. 2.Text revised accordingly
<p>Article 13 : The votes cast will be opened and counted on site upon completion of the voting and the chairperson shall announce the election result on site by reading out, among others, the names of the directors <u>and supervisors</u> elect as well as their votes.</p> <p>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.</p>	<p>Article 12 : 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.</p> <p>The ballots <u>and the number of votes electronically</u> 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.</p>	<ol style="list-style-type: none"> 1.Change of sequential No. 2.Text relevant to supervisors is deleted. 3.In line with the "Voting right shall be exercised electronically, revised text accordingly.

Current Provision	Revision Proposed	Remark
Article 14 : The Board of Director will issue a certificate of election to the directors <u>and/or supervisors</u> elect each.	Article 13 : The Board of Director will issue a certificate of election to the directors elect each.	1.Change of sequential No. 2.Text relevant to supervisors is deleted.
Article 15 : 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. <u>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.</u>	1.Change of sequential No. 2.In line with this revision, previous revision dates have been added.

Appendix 9

ScinoPharm Taiwan, Ltd.

Proposed Amendments to the Rules of Procedures for Shareholders' Meeting

Current Provision	Revision Provision	Remark
<u>Article 3: Delete</u>		Delete original retained sequential number in the revision
<u>Article 4: Delete</u>		Delete original retained sequential number in the revision
Article 3: 1~3 Omitted 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 <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 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</u> (if any) must be listed in the proposed agenda and cannot be proposed by way of an extempore motion at the meeting.	Article 3: 1~3 Omitted 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, proposed revision of the Articles of Incorporation, <u>Capital reduction, application for end of public share offering, permission for competition act by directors capital increase with earnings, capital increase with capital surplus</u> , proposed dissolution, merger, division of the Company or any of the matters provided in paragraph one of Article 185 of the Company Act, (if any) must be listed <u>and explain major content in the proposed agenda</u> and cannot be proposed by way of an extempore motion at the meeting. <u>Major contents can be posted on website of securities regulator or website designated by the company, whose website should be specified in notice.</u> <u>Notice for shareholders' meeting includes the plan for reelection of 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.</u>	1.Adjustment of sequential number 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 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.

Current Provision	Revision Provision	Remark
<p>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 <u>and only one</u> 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.</p> <p>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.</p> <p>(Omitted)</p>	<p>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 motion to be listed in the proposed agenda of the general shareholders meeting. <u>Shareholders' proposal is meant to prompt the company contributing to public benefit and fulfilling social responsibility and therefore should be included in the agenda.</u> 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.</p> <p>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, <u>accepted proposals can be in written or by electronic form</u>, 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.</p> <p>(Omitted)</p>	
<p>Article 6</p> <p>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 <u>the independent director(s), if any, of the Company.</u></p>	<p>Article 4</p> <p>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).</p>	<p>1.Change of sequential No. 2.The company has instituted independent directors and revised text accordingly.</p>

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

Current Provision	Revision Provision	Remark
<p><u>(2~3 Omitted)</u></p> <p>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.</p>	<p>adopted by the shareholders meeting.</p> <p><u>(2~3 Omitted)</u></p> <p>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. <u>Sufficient voting time for shareholders should be provided</u></p>	<p>to insufficiency of time.</p>
Article 13 : (Omitted)	Article 11 : (Omitted)	Change of sequential No.
Article 14 : (Omitted)	Article 12 : (Omitted)	Change of sequential No.
Article 15 : (Omitted)	Article 13 : (Omitted)	Change of sequential No.
Article 16 : (Omitted)	Article 14 : (Omitted)	Change of sequential No.
Article 17 : (Omitted)	Article 15 : (Omitted)	Change of sequential No.
<p>Article 18 :</p> <p>The election (if any) of the director(s) <u>and/or supervisor(s)</u> 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, <u>each supervisor elect</u> and the amount of votes for them each.</p>	<p>Article 16 :</p> <p>The election (if any) of the director(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 and the amount of votes for them each.</p>	<p>1.Change of sequential No.</p> <p>2.The company has instituted independent directors to replace Supervisors; text relevant to supervisors is deleted.</p>
<p>Article 19 :</p> <p>(1~2 Omitted)</p> <p>The meeting minutes shall accurately <u>indicate</u> the year, month, date, the venue, name of the chairperson, method of adopting resolutions, the gist of the proceeding and <u>the</u> conclusion of the meeting and kept by the Company throughout the existence of the Company.</p>	<p>Article 17 :</p> <p>(1~2 Omitted)</p> <p>The meeting minutes shall accurately <u>record</u> the year, month, date, the venue, name of the chairperson, method of adopting resolutions, the gist of the proceeding and the <u>voting</u> conclusion of the meeting(<u>including statistical weighting factor put on record</u>). <u>Disclose the amount of weighted votes for every candidate</u> and kept by the Company throughout the existence of the Company.</p>	<p>1.Change of sequential No.</p> <p>2.To materialize the principle of voting on cases one by one, revise text of item 3.</p>

Current Provision	Revision Provision	Remark
Article 20 : The Company shall calculate and compile a statement on the number of shares to be represented at the meeting by the proxy solicitors and the proxies respectively and have the statement produced manifestly displayed at the meeting in accordance with the required form and substance. The Company shall have the resolutions adopted by the shareholders meeting published through the Market Observation Post System within the required time period, which resolutions are by definition important information under the relevant laws and regulations or required by the Taiwan Stock Exchange Corporation. <u>(Nonprofit Organization Gre Tai Securities Market).</u>	Article 18 : The Company shall calculate and compile a statement on the number of shares to be represented at the meeting by the proxy solicitors and the proxies respectively and have the statement produced manifestly displayed at the meeting in accordance with the required form and substance. The Company shall have the resolutions adopted by the shareholders meeting published through the Market Observation Post System within the required time period, which resolutions are by definition important information under the relevant laws and regulations or required by the Taiwan Stock Exchange Corporation.	1.Change of sequential No. 2.Revision of the name of competent authority
Article 21 : (Omitted)	Article 19 : (Omitted)	Change of sequential No.
Article 22 : (Omitted)	Article 20 : (Omitted)	Change of sequential No.
Article 23 <u>Provisions of these Rules applicable to Supervisors shall apply to the Audit Committee of the Company (if any) with necessary and appropriate alterations.</u>	(Deleted)	The company has instituted independent directors to replace supervisors, therefor this article is deleted.
Article 24 These Rules and all subsequent amendments shall come into force on the relevant resolution adopted by the shareholders meeting.	Article 21 These Rules and all subsequent amendments shall come into force on the relevant resolution adopted by the shareholders meeting. <u>These Rules were established on March 13, 2003 and subsequently revised as follows: May 14, 2004, September 25, 2009, July 6, 2010, June 13, 2012, June 21, 2013, June 23, 2015 and June 30, 2020.</u>	1.Change of sequential No. 2.In line with this revision, previous revision dates have been added.

Appendix 10

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

As of 04/30/2020

Name	Current Position with Other Company
Uni-President Enterprises Corp. Representative Chih-Hsien Lo	<p>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.</p> <p>Vice Chairman of : President Nisshin Corp.</p> <p>Director of : 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 Enterprise (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., Chongqing President Enterprises Co., Ltd., Taizhou 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., 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</p>

Name	Current Position with Other Company
	<p>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 (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.</p> <p>President of : Presco Netmarketing Inc.</p>
<p>Uni-President Enterprises Corp. Representative: Tsung-Ming Su</p>	<p>Chairman of : President Life Sciences Co., Ltd., Tong Yu Investment Corp. Uni-President Development Corp., AndroSciences Corp.</p> <p>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.</p> <p>Supervisor of : Presicarre Corp., Uni-President Enterprises (China) Investment Co., Ltd., Presco Netmarketing Inc.</p> <p>President of : President International Development Corp., President Property Corp.</p>
<p>Kao Chyuan Inv. Corp. Representative: Shiow-Ling Kao</p>	<p>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.,</p> <p>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</p>

Name	Current Position with Other Company
	<p>Co., Uni-Wonder Corp., President Century Corp., President (Shanghai) Health Product Trading Company Ltd., Beauty Wonder (Zhejiang) Trading Co., Ltd.</p> <p>President of : Kao Chyuan Inv. Corp., President Fair Development Corp.</p>
<p>Tainan Spinning Co., Ltd. Representative: Po-Ming Hou</p>	<p>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., Ltd., New Yupeng Investment Co., Ltd., Tainan Spinning Cultural and Educational Foundation.</p> <p>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.</p> <p>Group Chairman : Tainan Spinning Co., Ltd.</p>
<p>Uni-President Enterprises Corp. Representative: Tsong-Pin Wu</p>	<p>Chairman of : Tung –Ren Pharmaceutical Corp., Kai Nan Investment Co.,</p> <p>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.</p> <p>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.</p>
<p>Uni-President Enterprises Corp. Representative: Kun-Shun Tsai</p>	<p>Chairman of : Uni-President Oven Bakery Corp.,</p> <p>Director of : Tung –Ren Pharmaceutical Corp.,</p>

Name	Current Position with Other Company
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.
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.