



# **2021 Annual General Shareholders' Meeting Meeting Handbook (Translation)**

**June 29, 2021**

**Stock Code 1789**

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**ScinoPharm Taiwan, Ltd.**  
**Handbook for the 2021 Annual General Shareholders' Meeting**

**I. Meeting Agenda**

Time: 10:00a.m., Tuesday, June 29, 2021

Place: The Auditorium, Southern Taiwan Science Park Administration Building

Address: 1F, 22 Nan-Ke 3<sup>rd</sup> Road, Southern Taiwan Science Park, XinShi District, Tainan City

- 1. Announcement of Meeting in Session** (following the announcement of shares represented at the meeting)
- 2. Chairman's Address**
- 3. Report Items**
  - (1) 2020 Business Report.
  - (2) Audit Committee's Review Report on 2020 Financial Results.
  - (3) 2020 Compensations for Employees and Directors.
  - (4) Proposed Amendments to the Rules of Procedure for Board of Directors Meeting of the Company.
- 4. Ratification Items**
  - (1) Ratification of 2020 Business Report and Financial Statements.
  - (2) Ratification of the Proposed Distribution of 2020 Earnings.
- 5. Matters proposed for discussion and resolution**
  - (1) Proposed Amendments to the Rules of Procedures for Shareholders' Meeting of the Company.
- 6. Election**
  - (1) The 10th Election of Board of Directors (including independent directors).
- 7. Other Proposals**
  - (1) Proposed release the Directors (including Independent Directors) elected and their representatives from non-competition restrictions.
- 8. Extemporaneous motions**
- 9. Meeting adjourned**

## **II. Proposals**

### **1. Report Items**

(1) 2020 Business Report.

Explanation: The business report for 2020 is attached as Appendix 1 at page 6~8.

(2) Audit Committee's Review Report on 2020 Financial Results.

Explanation: The Audit Committee Review Report is attached as Appendix 2 on page 9.

(3) 2020 Compensations for Employees and Directors.

Explanation:

- a. The remuneration distribution for employees and directors on 2020 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 2020 was NT\$35,288,214, making up 8.91% of the year's profits; directors' compensation was NT\$7,921,843, making up 2% of the year's profits; all compensation was distributed in cash. The aforementioned amounts differed from accrued amounts by 0 for both employees' compensation and directors' compensation.

(4) Proposed Amendments to the Rules of Procedure for Board of Directors Meeting of the Company.

Explanation:

- a. According to the revised "Sample Template for OO Co., Ltd. Rules of Procedure for Board of Directors Meeting" publicized by Taiwan Stock Exchange on June. 3<sup>rd</sup>, 2020, plus in consideration of practical operation, revised the company's Rules of Procedure for Board of Directors Meeting.
- b. Major points of the revision include: addition of Q1, Q2, Q3, and Annual financial reports approved by the chairman, CEO and chief accountant with signatures or chops to items mandatory for discussion at the board of directors and removal of the regulations on time limit on deferral of meeting, discussion of items on agenda, and principles for adjournment.
- c. Please refer to Appendix 3 (page 10~11) of the Meeting Handbook of Contrast Table of the Rules of Procedure for Board of Directors Meeting of the Company.

## **2. Ratification Items**

(1) Ratification of 2020 Business Report and Financial Statements. (Proposed by the Board)

Explanation:

- a. The Parent and Consolidated Financial Statements for 2020 of the Company as adopted by the March 18, 2021 meeting of the Board of Directors and duly certified by Yung-Chih Lin, Certified Public Accountant and Tzu-Meng Liu, Certified Public Accountant from PricewaterhouseCoopers Taiwan were duly submitted in conjunction with the Business Report to the Audit Committee for inspection. This inspection was completed with the Auditors Committee's Review Reports duly issued.
- b. Please see Appendix 1 (at Page 6~8) and Appendices 4~5(at Page 12~32) for the Business Report, Auditors' Reports, parent and consolidated financial statements.

Resolution:

(2) Ratification of the Proposed Distribution of 2020 Earnings. (Proposed by the Board)

Explanation:

- a. The 2020 Profit Allocation Proposal is attached as Appendix 6 on page 33.
- b. The Company's distributable earnings for 2020 are NT\$648,248,261. The cash dividend to be distributed is NT\$0.5 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.

Resolution

## **3. Matters proposed for discussion and resolution**

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

Explanation:

- a. According to the revised "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders' Meeting," publicized by Taiwan Stock Exchange, decree No. 11000014461, on Jan. 28, 2021, plus in consideration of practical operation, revised Rules of Procedures for Shareholders' Meeting of the Company.
- b. The revision is to uphold corporate governance and shareholders' interests, including:
  - (1). The chairperson of the meeting shall announce to commence the meeting in due course and publicize information on both the number of shares without voting right and number of shares in attendance.

- (2). 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. List of directors not elected and the amount of votes they obtain should also be announced.
- c. Please refer to Appendix 7 (page 34~35) of the Meeting Handbook of Contrast Table of Rules of Procedures for Shareholders' Meeting of the Company. For the entire original Rules of Procedures for Shareholders' Meeting of the Company, please see Exhibit 1 (Page 44~50).
- d. It is proposed that resolution be adopted for the authorization proposed above.

Resolution:

#### **4. Election**

- (1) The 10th Election of Board of Directors (including independent directors) (Proposed by the Board).

Explanation:

- a. The office term of the 9<sup>th</sup> Election of Board of Directors is from June 27<sup>th</sup> 2018 to June 26<sup>th</sup> 2021.
- b. It is proposed that fifteen Directors (including three Independent Directors) should be elected in accordance with the Articles of Incorporation of the Company. According to Article 195 of the Company Act, in the event that the office term of the 9<sup>th</sup> election of Board of Directors (including Independent Directors) is completed prior to the 10<sup>th</sup> election, the Directors should continue to exercise their office duties until stepping down upon assumption of office by the new Board of Directors. The Directors newly elected shall forthwith assume the office upon being elected and serve an office term of three years from the election date, namely from June 29 2021 through June 28 2024.
- c. Article 23 of the Articles of Incorporation of the Company states that two or more of the above Directors shall be Independent Directors, and the total number of Independent Directors shall account for not less than one fifth (1/5) of the total number of directors. The Directors (including Independent Directors) shall be elected under the nomination system. Shareholders' Meeting shall elect from among the candidates nominated.
- d. According to article 24 of Articles of Incorporation and article 14-4 of Securities and Exchange Act, all independent directors comprise the auditing committee. Therefore, the forth auditing committee comes into being and becomes operational following the election of new independent directors.
- e. Please see Appendix 8 (at page 36~39) for the name list of the candidates nominated as adopted by the meeting of May 11, 2021 of the Board of Directors.
- f. Shareholders are requested to vote to elect the new Directors.

Result:

## **5. Other Proposals**

- (1) Proposed release the Directors (including Independent Directors) elected and their representatives from non-competition restrictions. (Proposed by the Board)

### Explanation:

- a. According to Article 209 of the Company Act, the Director who intends to do any act or activity which is within the scope of the Company's business for himself/herself or for any other person shall present to the Shareholders' Meeting an explanation of the substantial content of the act or activity contemplated and obtain the approval of the Shareholders' Meeting for him/her to do the act or activity and the Shareholders' Meeting may adopt the resolution.
- b. In consideration that the members of the 10th Election of Board of Directors (including independent directors) may do any act or activity and concurrently hold another office within the scope of the Company's business, it is proposed that resolution be adopted to release the newly elected 10th Election of Board of Directors from the non-compete restriction provided in Article 209 of the Company Act on the precondition that the above act or activity done by the director does not in any way prejudice the interests of the Company.
- c. Titles and job details of directors (including independent directors) who will be exempting from non-compete competition prohibition as show in Appendix 9(at page 40~43).
- d. It is proposed that resolution be adopted for the authorization proposed above.

### Resolution:

## **6. Extemporary motions**

## **7. Meeting adjourned**

### **III. Appendices**

#### **Appendix 1**

#### **ScinoPharm Taiwan, Ltd. 2020 Business Report**

In 2020, the whole world was severely impacted by COVID-19. It was a very difficult year for all industries. COVID-19 started off as a regional epidemic found only in China, and soon spread to the rest of the world resulting in border lockdowns. The World Health Organization has also officially defined COVID-19 as a pandemic. All these changes are affecting and influencing wide range of industries in a persistent manner. ScinoPharm, however, at the face of the highly uncertain global market, maintained consistently healthy operations against the adverse conditions last year, and kept moving forward in accordance with its strategic deployment, achieving set targets of revenue and profit. By doing so, the company manifested its resilience and business strength in quickly adapting itself to the environment.

The company's consolidated revenue for 2020 was NT\$3.083 billion, net profit after tax was NT\$282 million, and after-tax earnings per share was NT\$0.36. As of the end of 2020, the company's paid-up capital was \$7.907 billion, and shareholder's equity \$10.529 billion, which accounted for approximately 89% of its total assets of \$11.847 billion; long-term capital 2.65 times the value of its fixed assets, with a current ratio of 8.62, maintaining a sound and healthy financial structure.

#### **Maintaining stable operations and continuing to build up its strength to cope with challenges**

In general, the clients' demand for API products continued to grow last year. However, due to the impact of COVID-19 prevention policies and measures in various locations, global logistics and transportation was in an extraordinary period, with restricted import and export channels, resulting in a delay by suppliers of main raw materials in performing their contracts to service certain manufacturing processes. This has hindered the production and sales of API products to a certain extent. Due to completion of pre-production works such as material preparation in the year before, coupled with the properly adapted production schedule as well as sales and transportation planning, the company has managed to keep its scheduled production activities and sales substantially unaffected for the first half of the year, despite the enhancing isolation, border control, distancing or split team rotational arrangements at different stages in different countries to contain the virus. However, starting from the second half of the year, with the aggressively accelerated impact of COVID-19 on the US market, and the sign of its return as a mutated version, countries led by the United States have become more actively involved in the research and development of vaccines and products that might become therapeutic drugs. As a result, some customers re-adjusted their shipment schedules, to which the company also adapted its production and sales planning. The performance of outsourced R&D services has benefited from the flexible sales strategies, periodic stocking requirements and the customers' great ambitions in developing products to address new indications, becoming a highlight of last year's business performance.

#### **The process of new product launch accelerates vertical integration and synergies of synchronized development**

On the part of development of the API business, ScinoPharm's Changshu plant, for the first time last year, underwent the onsite inspection by the China National Medical Products Administration for the first time for food and drug registration, and the China GMP compliance inspection for two items. It is expected to be approved for marketing in China this year. This product is an emergency medicine against rare diseases, for which there is currently no



alternative treatment. Once the marketing license has been obtained, large-scale commercial production will be carried out; and customers are optimistic about the market potential of this product and it is expected to become the one of the knock-out products of Changshu plant going forward. This year in China, it is expected that three more products developed in partnership with customers will go through the dynamic verification with the regulatory authorities, and the company remains optimistic about the prospects and development of the China market. Progress has also been made in the development of injectable products. The company's first home developed and manufactured injectable generic peptide product has been put through to the US Food and Drug Administration for review and approval. The strategy of extending the life cycle of existing products through vertical integration is in gradual implementation. Crossing over into complex injectable products is the first step of ScinoPharm's business expansion. In the future, it will not only continue to invest in the R&D and production of injectable products and establish strategic alliances that will be additive and multiplicative to seize the injection market; and it is also optimistic about the potential of the oral administration market, seeking to open up a brand new space in the highly competitive pharmaceutical industry.

#### **Attaching importance to organizational safety with continuous review and management of operational risks**

In order to maintain a safe and sound workplace, the company has always applied a high standard to and involved the entire staff in safety management, with ongoing review of the existing safe work process for compliance with the current requirements, and checking on whether the process has been carefully implemented. To enhance industrial safety and environmental protection, considerable manpower and funds are being invested as planned. Last year saw the phase two expansion of the warehouse and transformation of the dangerous when wet warehouse. Old pipelines that have reached the end of service life are replaced and improved, with the addition of monitoring systems and waste treatment equipment, enhanced safety inspections and audits, and upgraded protection equipment for production and operation, in an effort to comprehensively improve protection, industrial safety and discipline. The goal is to maintain effective control over and to reduce fire and explosion caused by unpredictable natural disasters, earthquakes, use of solvent and high-risk operations, or personal injuries caused by insufficient protection and operational errors. The company attaches great importance to safety and never compromises. It is a basic requirement to implement safety regulations, and the highest guiding principle and goal to totally eliminate industrial safety incidents attributable to man.

#### **Adhering to quality standards in pursuit of a perfecting quality culture**

As a member of the global pharmaceutical supply chain, "Compliance and Legal" is the basic requirement for the manufacture process and quality of products. In order to ensure product quality, efficacy and the safety of drug users, the company has consistently applied the most prudent management approach to the development and production of every product, with spirit of never giving up. Since the establishment of the company, the existing organizational structure and management system are already well established. It is another challenge as to how to continuously and seamlessly implement the existing quality management structure, promptly adapt itself to changes in the laws and regulations of different jurisdictions, and enhance the implementation of knowledge management and the carry-forward of experience. We firmly believe it is the responsibility of the wider company to implement our quality culture. We proactively advocate the development of thinking and behaviors necessary to maintain high quality standards internally, and build up a solid quality culture for the company.

**Keeping track of the market and working hard to achieve corporate goals**

Looking ahead to 2021, in the face of the continued impact and shock of the pandemic and the rapidly evolving industry, it is reasonable to expect that the company's operations will continue to come across many challenges. There will always be challenges, and it depends on adequate preparations at ordinary times to be able to respond quickly to crises. Emergencies test the company's ability to take risks, and also reflect the health of the company. With the new year ahead, ScinoPharm will still overcome difficulties with a positive attitude. The management team of ScinoPharm will also be aligned on their goals and continue to lead all colleagues to take steady steps forward. We believe that with the efforts of our colleagues and the persistent support of the shareholders, we will continue to strengthen the foundation of stable operations, seize the opportunities from demands of the global pharmaceutical market and abide by industrial regulations and quality standards, to improve corporate profitability in order to reward the shareholders, customers and colleagues.

Chih-Hsien Lo, Chairman

## **Appendix 2**

### **Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2020 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 18, 2021

### Appendix 3

#### ScinoPharm Taiwan, Ltd.

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

Current Provision	Revision Proposed	Remark
<p><b>Article 5</b> (Units in charge of meeting and Meeting Material)</p> <p>The board of directors has designated the two divisions of Administrative Management and Financial Accounting to take charge of meeting affairs jointly. Units in charge of meeting affairs should formulate contents for the agenda of meetings of the board of directors and provide sufficient meeting materials, to be delivered along with meeting notice.</p> <p>(Omitted)</p>	<p><b>Article 5</b> (Units in charge of meeting <u>affairs</u> and Meeting Material)</p> <p>The board of directors has designated the two divisions of Administrative Management and Financial Accounting to take charge of meeting affairs jointly. Units in charge of meeting affairs should formulate contents for the agenda of meetings of the board of directors and provide sufficient meeting materials, to be delivered along with meeting notice.</p> <p>(Omitted)</p>	Revise title, in conformance to the contents of the article
<p><b>Article 7</b> (Matters required to be submitted to the meeting of the Board of Directors)</p> <p>The following matters must be proposed to the meeting of the Board of Directors for discussion:</p> <ol style="list-style-type: none"><li>1. Business plan of the Company.</li><li>2. Annual financial report <u>and semi-annual financial report except where the semi-annual financial report is not legally required to be certified by the accountants.</u></li></ol> <p>(Omitted)</p>	<p><b>Article 7</b> (Matters required to be submitted to the meeting of the Board of Directors)</p> <p>The following matters must be proposed to the meeting of the Board of Directors for discussion:</p> <ol style="list-style-type: none"><li>1. Business plan of the Company.</li><li>2. <u>addition of Q1, Q2, Q3, and Annual financial reports approved by the chairperson, CEO and chief accountant with signatures or chops</u></li></ol> <p>(Omitted)</p>	Revise the text of the item 1-2 of the article, in line with the revision made on June 21, 2019 of No.10, item 1, of article 14-5 of Securities and Exchange Act and corporate practice.
<p><b>Article 10: Non-director attendees and principle for announcing beginning of meeting</b></p> <p>When the board of directors is convened, the general affairs unit for meeting 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 the certified public account, attorney at law, or other professionals. Those outside attendees, however, should leave, during discussion and voting.</p> <p>At scheduled time and with attendance</p>	<p><b>Article 10: Non-director attendees and principle for announcing beginning of meeting</b></p> <p>When the board of directors is convened, the general affairs unit for meeting 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 the certified public account, attorney at law, or other professionals. Those outside attendees, however, should leave, during discussion and voting.</p> <p>At scheduled time and with attendance</p>	Remove said contents, in line with the revision of the reference sample publicized by the competent authority.

Current Provision	Revision Proposed	Remark
<p>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 <u>postpone</u> the starting of meeting, twice <u>for one hour at maximum</u>, 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>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 at maximum, 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><b>Article 11</b> (Discussion and announcement of meeting adjourned) The meeting of the Board of Directors shall proceed according to the agenda indicated in the meeting notice unless otherwise changed by the majority of the directors present at the meeting. The chairperson must not announce the meeting adjourned <u>before the agenda provided in the preceding paragraph and the extempore motions proposed to the meeting are duly discussed and resolved</u> except otherwise approved by the majority of the directors present at the meeting. During the proceeding of the meeting, where the directors present falls short of one half of the total number of directors, the chairperson shall, on the motion proposed by the director present at the meeting, announce the meeting suspended, in which case paragraph three of Article 10 of these Rules shall apply with necessary and appropriate alterations.</p>	<p><b>Article 11</b> (Discussion and announcement of meeting adjourned) The meeting of the Board of Directors shall proceed according to the agenda indicated in the meeting notice unless otherwise changed by the majority of the directors present at the meeting. The chairperson must not announce the meeting adjourned except otherwise approved by the majority of the directors present at the meeting.</p> <p>During the proceeding of the meeting, where the directors present falls short of one half of the total number of directors, the chairperson shall, on the motion proposed by the director present at the meeting, announce the meeting suspended, in which case paragraph three of Article 10 of these Rules shall apply with necessary and appropriate alterations.</p>	<p>Remove said contents, in line with the revision of the reference sample publicized by the competent authority.</p>
<p><b>Article 19: Implementation &amp; Revision</b> These Rules were established on 25 September 2009 and subsequently revised as follows: 1<sup>st</sup> revision of 26 March 2012, 2<sup>nd</sup> revision of 14 December 2012, 3<sup>rd</sup> revision of December 19, 2017, 4<sup>th</sup> revision of March 20 2020.</p>	<p><b>Article 19: Implementation &amp; Revision</b> These Rules were established on 25 September 2009 and subsequently revised as follows: 1<sup>st</sup> revision of 26 March 2012, 2<sup>nd</sup> revision of 14 December 2012, 3<sup>rd</sup> revision of December 19, 2017, 4<sup>th</sup> revision of March 20 2020, <u>5<sup>th</sup> revision of March 18,2021.</u></p>	<p>In line with the revision, add the revision date to the text.</p>

## **Appendix 4**

### INDEPENDENT AUDITORS' REPORT 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, 2020 and 2019, 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, 2020 and 2019, 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. Our responsibilities under those standards are further described in the Auditors' 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 Norm of professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 2020 parent company only financial statements. 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 Company's 2020 parent company only financial statements 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 recognises export sales revenue based on the terms and conditions of transactions which vary with

different customers. As revenue recognition involves manual processes and is material to the financial statements, we consider the cutoff of export revenue a key audit matter.

#### How our audit addressed the matter

We performed the following key audit procedures in response to 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(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 at December 31, 2020, the balances of inventory and allowance for inventory valuation losses were \$1,448,766 thousand and \$313,819 thousand, respectively.

The Company is primarily engaged in the manufacture and sales of API. As the manufacturing process is relatively complicated and time-consuming, materials require longer lead time, the waiting period for product registration is long, and the timing of the product launch may be deferred, there is higher risk of incurring loss on inventory valuation. For inventories sold under normal terms, the Company measures inventories at the lower of cost and net realisable value. For inventories aging over a certain period of time and are individually identified as obsolete inventories, the net realisable value is calculated based on the historical information of inventory 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 response to 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 realisable value and to evaluate the reasonableness of allowance for inventory valuation loss.

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

Management is responsible for the preparation and fair presentation of the parent company only

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

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

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

### ***Auditors' 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 the generally accepted auditing standards in the Republic of China 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 the generally accepted auditing standards in the Republic of China, 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 auditors' 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 auditors' 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 auditors' 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 18, 2021

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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  
DECEMBER 31, 2020 AND 2019  
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2020		December 31, 2019	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 3,879,691	33	\$ 3,020,410	26
1110	Financial assets at fair value through profit or loss - current	6(2)	-	-	2,920	-
1170	Accounts receivable, net	6(3) and 12	379,411	3	562,856	5
1200	Other receivables		17,569	-	10,118	-
1210	Other receivables - related parties	7	6,348	-	5,697	-
1220	Current income tax assets	6(25)	8,969	-	8,969	-
130X	Inventories	5 and 6(4)	1,134,947	10	1,100,695	10
1410	Prepayments		96,841	1	107,502	1
11XX	Total current assets		5,523,776	47	4,819,167	42
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(5)	308,115	3	415,210	4
1550	Investments accounted for using equity method	6(6)	1,681,095	14	1,763,209	16
1600	Property, plant and equipment	6(7)(9)	3,053,564	26	3,192,172	28
1755	Right-of-use assets	6(8)	559,847	5	602,221	5
1780	Intangible assets		6,885	-	9,458	-
1840	Deferred income tax assets	6(25)	505,018	4	504,946	4
1915	Prepayments for equipment		108,322	1	80,441	1
1920	Guarantee deposits paid		1,029	-	5,244	-
1980	Other financial assets - non-current	8	29,270	-	29,270	-
15XX	Total non-current assets		6,253,145	53	6,602,171	58
1XXX	Total assets		\$ 11,776,921	100	\$ 11,421,338	100

(Continued)

SCINOPHARM TAIWAN, LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2020 AND 2019  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2020		December 31, 2019	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(10)	\$ 9,494	-	\$ -	-
2120	Current financial liabilities at fair value through profit or loss	6(2)				
	- current		2,172	-	-	-
2130	Contract liabilities - current	6(18)	47,518	-	46,789	-
2150	Notes payable		1,173	-	1,353	-
2170	Accounts payable		126,820	1	93,643	1
2180	Accounts payable - related parties	7	36,598	-	45,517	-
2200	Other payables	6(11)	308,560	3	285,292	3
2230	Current income tax liabilities	6(25)	67,969	1	-	-
2280	Lease liabilities - current		16,500	-	16,014	-
21XX	Total current liabilities		616,804	5	488,608	4
Non-current liabilities						
2570	Deferred income tax liabilities	6(25)	-	-	584	-
2580	Lease liabilities - non-current		550,182	5	590,020	5
2640	Net defined benefit liabilities	6(12)	79,232	1	82,182	1
2645	Guarantee deposits received		1,300	-	-	-
25XX	Total non-current liabilities		630,714	6	672,786	6
2XXX	Total liabilities		1,247,518	11	1,161,394	10
Equity						
Share capital						
3110	Common stock	6(13)	7,907,392	67	7,907,392	69
3200	Capital surplus	6(14)(15)	1,294,689	11	1,294,605	12
	Retained earnings	6(5)(16)				
3310	Legal reserve		634,265	5	612,600	6
3320	Special reserve		67,825	1	22,829	-
3350	Unappropriated earnings		658,275	6	490,344	4
3400	Other equity interest	6(6)(17)	( 33,043 )	( 1 )	( 67,826 )	( 1 )
3XXX	Total equity		10,529,403	89	10,259,944	90
Significant contingent liabilities and unrecognised contract commitments		7 and 9				
3X2X	Total liabilities and equity		\$ 11,776,921	100	\$ 11,421,338	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  
YEARS ENDED DECEMBER 31, 2020 AND 2019

(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items		Notes	Year ended December 31			
			2020		2019	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(18) and 7	\$ 3,046,220	100	\$ 2,813,047	100
5000	Operating costs	6(4)(12)(23)(24) and 7	( 1,758,472)	( 58)	( 1,677,387)	( 59)
5900	Net operating margin		1,287,748	42	1,135,660	41
	Operating expenses	6(12)(23)(24), 7 and 12				
6100	Selling expenses		( 175,267)	( 5)	( 160,552)	( 6)
6200	General and administrative expenses		( 455,460)	( 15)	( 446,039)	( 16)
6300	Research and development expenses		( 206,364)	( 7)	( 206,570)	( 7)
6450	(Gain on reversal of) expected credit losses		197	-	( 202)	-
6000	Total operating expenses		( 836,894)	( 27)	( 813,363)	( 29)
6900	Operating profit		450,854	15	322,297	12
	Non-operating income and expenses					
7100	Interest income	6(19)	21,043	-	28,541	1
7010	Other income	6(20) and 7	29,164	1	66,295	2
7020	Other gains and losses	6(2)(9)(21) and 12	( 36,487)	( 1)	( 44,362)	( 2)
7050	Finance costs	6(8)(22)	( 7,072)	-	( 8,532)	-
7070	Share of loss of associates and joint ventures accounted for using equity method	6(6)	( 104,620)	( 4)	( 117,725)	( 4)
7000	Total non-operating income and expenses		( 97,972)	( 4)	( 75,783)	( 3)
7900	<b>Profit before income tax</b>		352,882	11	246,514	9
7950	Income tax expense	6(25)	( 70,815)	( 2)	( 29,858)	( 1)
8200	<b>Profit for the year</b>		<u>\$ 282,067</u>	<u>9</u>	<u>\$ 216,656</u>	<u>8</u>
	<b>Other comprehensive income (loss)</b>					
	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>					
8311	Actuarial losses on defined benefit plans	6(12)	\$ 2,369	-	\$ 5,936	-
8316	Unrealised losses from equity instruments measured at fair value through other comprehensive income	6(5)(17)	176,406	6	( 48,718)	( 2)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)	( 473)	-	1,187	-
	<b>Components of other comprehensive loss that will be reclassified to profit or loss</b>					
8361	Financial statements translation differences of foreign operations	6(6)(17)	22,506	1	( 56,865)	( 2)
8300	<b>Total other comprehensive loss for the year</b>		<u>\$ 200,808</u>	<u>7</u>	<u>( \$ 110,332)</u>	<u>( 4)</u>
8500	<b>Total comprehensive income for the year</b>		<u>\$ 482,875</u>	<u>16</u>	<u>\$ 106,324</u>	<u>4</u>
	Earnings per share (in dollars)	6(26)				
9750	Basic		<u>\$ 0.36</u>		<u>\$ 0.27</u>	
9850	Diluted		<u>\$ 0.36</u>		<u>\$ 0.27</u>	

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

SCINOPHARM TAIWAN, LTD.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(Expressed in thousands of New Taiwan dollars)

		Retained Earnings					Other equity interest		
	Notes	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	Amount
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		-	-	-	-	216,656	-	-	216,656
Other comprehensive loss for the year	6(5)(6)(17)	-	-	-	-	( 4,749 )	( 56,865 )	( 48,718 )	( 110,332 )
Total comprehensive income (loss) for the year		-	-	-	-	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
For the year ended December 31, 2020									
Balance at January 1, 2020		\$ 7,907,392	\$ 1,294,605	\$ 612,600	\$ 22,829	\$ 490,344	(\$ 98,117 )	\$ 30,291	\$ 10,259,944
Net income for the year		-	-	-	-	282,067	-	-	282,067
Other comprehensive income for the year	6(5)(6)(17)	-	-	-	-	1,896	22,506	176,406	200,808
Total comprehensive income		-	-	-	-	283,963	22,506	176,406	482,875
Distribution of 2019 net income:									
Legal reserve		-	-	21,665	-	( 21,665 )	-	-	-
Special reserve		-	-	-	44,996	( 44,996 )	-	-	-
Cash dividends	6(16)	-	-	-	-	( 213,500 )	-	-	( 213,500 )
Employee stock option compensation cost	6(14)(15)	-	84	-	-	-	-	-	84
Disposal of equity instruments at fair value through other comprehensive income	6(5)(17)	-	-	-	-	164,129	-	( 164,129 )	-
Balance at December 31, 2020		\$ 7,907,392	\$ 1,294,689	\$ 634,265	\$ 67,825	\$ 658,275	(\$ 75,611 )	\$ 42,568	\$ 10,529,403

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

SCINOPHARM TAIWAN, LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 352,882	\$ 246,514
Adjustments			
Adjustments to reconcile profit (loss)			
Loss (gain) on valuation of financial assets and liabilities at fair value through profit or loss		5,092 (	2,511 )
(Gain on reversal of) expected credit losses	12	( 197 )	202
Reversal of allowance for loss on inventory market price decline	6(4)	( 74,623 )	( 2,590 )
Provision for obsolescence of supplies		3,312	5,972
Share of loss of subsidiaries, associates and joint ventures accounted for using equity method	6(6)		117,725
Depreciation of property, plant and equipment	6(7)(23)	266,984	272,707
Depreciation of right-of-use assets	6(8)(23)	12,794	15,148
Property, plant and equipment transferred to loss	6(7)(21)	11,900	22,726
Gain on disposal of property, plant and equipment	6(21)	2,587	-
(Gain on reversal of) impairment loss	6(7)(9)(21)	( 4,253 )	707
Amortisation	6(23)	6,044	7,693
Prepayments for equipment transferred to loss		-	1,967
Employee stock option compensation cost	6(14)(15)	84	2,050
Interest income	6(19)	( 21,043 )	( 28,541 )
Interest expense	6(22)	7,072	8,532
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		183,642 (	12,318 )
Other receivables		( 6,147 )	5,481
Other receivables - related parties		( 651 )	( 72 )
Inventories		40,371	145,483
Prepayments		7,349 (	33,201 )
Changes in operating liabilities			
Contract liabilities - current		729	24,248
Notes payable		( 180 )	205
Accounts payable		33,177	19,904
Accounts payable - related parties		( 8,919 )	6,210
Other payables		11,456 (	16,561 )
Net defined benefit liabilities - non-current		( 581 )	( 617 )
Cash inflow generated from operations		933,501	807,063
Interest received		19,739	28,599
Interest paid		( 7,072 )	( 9,410 )
Income tax paid		( 3,975 )	( 136,614 )
Net cash flows from operating activities		942,193	689,638

(Continued)

SCINOPHARM TAIWAN, LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2020	2019
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of financial assets at fair value	6(5)		
through other comprehensive income		\$ 283,501	\$ 4,189
Acquisition of investments accounted for using equity	6(6)		
method - subsidiary		-	( 1,192,251 )
Cash paid for acquisition of property, plant and	6(27)		
equipment		( 64,529 )	( 15,925 )
Proceeds from disposal of property, plant and equipment		124	-
Acquisition of intangible assets		( 2,310 )	( 2,249 )
Increase in prepayments for equipment		( 91,435 )	( 71,998 )
Decrease (increase) in guarantee deposits paid		4,215	( 4,341 )
Net cash flows from (used in) investing activities		129,566	( 1,282,575 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings	6(28)	9,494	( 61,694 )
Repayment of the principal portion of lease liabilities	6(28)	( 9,772 )	( 11,335 )
Increase (decrease) in guarantee deposits received	6(28)	1,300	( 1,618 )
Payment of cash dividends	6(16)	( 213,500 )	( 387,462 )
Net cash flows used in financing activities		( 212,478 )	( 462,109 )
Net increase (decrease) in cash and cash equivalents		859,281	( 1,055,046 )
Cash and cash equivalents at beginning of year	6(1)	3,020,410	4,075,456
Cash and cash equivalents at end of year	6(1)	\$ 3,879,691	\$ 3,020,410

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

## **Appendix 5**

### INDEPENDENT AUDITORS' REPORT 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, 2020 and 2019, 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, 2020 and 2019, 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. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 2020 consolidated financial statements. 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 2020 consolidated financial statements 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(19) 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 response to 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 at December 31, 2020, the balances of inventory and allowance for inventory valuation losses were \$1,643,409 thousand and \$397,539 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 response to 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 unqualified opinion on the parent company only financial statements of ScinoPharm Taiwan, Ltd. as at and for the years ended December 31, 2020 and 2019.

### ***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.

### ***Auditors' 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 the generally accepted auditing standards in the Republic of China 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 the generally accepted auditing standards in the Republic of China, 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 auditors' 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 auditors' 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

PricewaterhouseCoopers, Taiwan  
Republic of China  
March 18, 2021

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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**  
**DECEMBER 31, 2020 AND 2019**  
(Expressed in thousands of New Taiwan dollars)

Assets			December 31, 2020		December 31, 2019			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	4,054,948	34	\$	3,304,978	28
1110	Financial assets at fair value through profit or loss - current	6(2)		-	-		2,920	
1136	Financial assets at amortised cost - current	6(3)		-	-		172,220	1
1170	Accounts receivable, net	6(4) and 12		386,508	3		590,336	5
1200	Other receivables			77,456	1		71,149	1
1220	Current income tax assets	6(26)		8,969	-		8,968	-
130X	Inventories	5 and 6(5)		1,245,870	11		1,124,332	10
1410	Prepayments			108,075	1		131,681	1
1476	Other financial assets - current	8 and 9		34,311	-		-	-
11XX	Total current assets			5,916,137	50		5,406,584	46
Non-current assets								
1517	Financial assets at fair value through other comprehensive income - non-current	6(6)		308,115	3		415,210	4
1600	Property, plant and equipment	6(7)(9)		4,210,746	36		4,433,860	38
1755	Right-of-use assets	6(8)		629,886	5		673,087	6
1780	Intangible assets			8,900	-		14,068	-
1840	Deferred income tax assets	5 and 6(26)		602,979	5		606,123	5
1915	Prepayments for equipment			133,960	1		85,361	1
1920	Guarantee deposits paid			6,770	-		11,001	-
1980	Other financial assets - non-current	8		29,270	-		29,270	-
15XX	Total non-current assets			5,930,626	50		6,267,980	54
1XXX	Total assets		\$	11,846,763	100	\$	11,674,564	100

(Continued)

**SCINOPHARM TAIWAN, LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2020 AND 2019**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2020		December 31, 2019			
			Notes	AMOUNT	%	AMOUNT	%	
Current liabilities								
2100	Short-term borrowings	6(10)	\$	9,494	-	\$	89,766	1
2120	Financial liabilities at fair value through profit or loss - current	6(2)		2,172	-		-	-
2130	Contract liabilities - current	6(19)		66,846	1		55,985	-
2150	Notes payable			1,173	-		1,353	-
2170	Accounts payable			159,671	1		101,018	1
2200	Other payables	6(11)		362,821	3		333,376	3
2230	Current income tax liabilities	6(26)		67,969	1		1	-
2280	Lease liabilities - current			16,500	-		16,014	-
2320	Long-term liabilities, current portion	6(12) and 9		-	-		144,234	1
21XX	Total current liabilities			686,646	6		741,747	6
Non-current liabilities								
2570	Deferred income tax liabilities	6(26)		-	-		584	-
2580	Lease liabilities - non-current			550,182	4		590,020	5
2640	Net defined benefit liabilities	6(13)		79,232	1		82,182	1
2645	Guarantee deposits received			1,300	-		87	-
25XX	Total non-current liabilities			630,714	5		672,873	6
2XXX	Total liabilities			1,317,360	11		1,414,620	12
Equity attributable to owners of parent								
Share capital								
3110	Common stock	6(14)		7,907,392	67		7,907,392	68
3200	Capital surplus	6(15)(16)		1,294,689	11		1,294,605	12
	Retained earnings	6(17)						
3310	Legal reserve			634,265	5		612,600	5
3320	Special reserve			67,825	1		22,829	-
3350	Unappropriated earnings			658,275	6		490,344	4
3400	Other equity interest	6(18)	(	33,043)	( 1)	(	67,826)	( 1)
3XXX	Total equity			10,529,403	89		10,259,944	88
Significant contingent liabilities and unrecognised contract commitments								
3X2X	Total liabilities and equity		\$	11,846,763	100	\$	11,674,564	100

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

SCINOPHARM TAIWAN, LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2020 AND 2019

(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

	Items	Notes	Year ended December 31			
			2020		2019	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(19)	\$ 3,082,928	100	\$ 2,892,783	100
5000	Operating costs	6(5)(24)(25)	( 1,765,469 )	( 57 )	( 1,716,378 )	( 59 )
5900	Net operating margin		1,317,459	43	1,176,405	41
	Operating expenses	6(24)(25), 7 and 12				
6100	Selling expenses		( 170,904 )	( 6 )	( 157,168 )	( 6 )
6200	General and administrative expenses		( 525,418 )	( 17 )	( 513,796 )	( 18 )
6300	Research and development expenses		( 245,633 )	( 8 )	( 238,373 )	( 8 )
6450	(Gain on reversal of) expected credit losses		219	-	( 214 )	-
6000	Total operating expenses		( 941,736 )	( 31 )	( 909,551 )	( 32 )
6900	Operating profit		375,723	12	266,854	9
	Non-operating income and expenses					
7100	Interest income	6(3)(20)	27,408	1	37,976	1
7010	Other income	6(21)	16,378	1	53,874	2
7020	Other gains and losses	6(2)(9)(22) and 12	( 45,838 )	( 2 )	( 37,961 )	( 1 )
7050	Finance costs	6(8)(23)	( 15,166 )	-	( 55,689 )	( 2 )
7000	Total non-operating income and expenses		( 17,218 )	-	( 1,800 )	-
7900	<b>Profit before income tax</b>		358,505	12	265,054	9
7950	Income tax expense	6(26)	( 76,438 )	( 3 )	( 48,398 )	( 1 )
8200	<b>Profit for the year</b>		<u>\$ 282,067</u>	<u>9</u>	<u>\$ 216,656</u>	<u>8</u>
	<b>Other comprehensive income</b>					
	<b>Components of other comprehensive (loss) income that will not be reclassified to profit or loss</b>					
8311	Actuarial losses on defined benefit plans	6(13)	\$ 2,369	-	( \$ 5,936 )	-
8316	Unrealised (losses) gains from equity instrument measured at fair value through other comprehensive income	6(6)(18)	176,406	6	( 48,718 )	( 2 )
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	( 473 )	-	1,187	-
	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>					
8361	Financial statements translation differences of foreign operations	6(18)	22,506	1	( 56,865 )	( 2 )
8300	<b>Total other comprehensive income (loss) for the year</b>		<u>\$ 200,808</u>	<u>7</u>	<u>( \$ 110,332 )</u>	<u>( 4 )</u>
8500	<b>Total comprehensive income for the year</b>		<u>\$ 482,875</u>	<u>16</u>	<u>\$ 106,324</u>	<u>4</u>
	Profit attributable to:					
8610	Owners of the parent		<u>\$ 282,067</u>	<u>9</u>	<u>\$ 216,656</u>	<u>8</u>
	Comprehensive income (loss) attributable to:					
8710	Owners of the parent		<u>\$ 482,875</u>	<u>16</u>	<u>\$ 106,324</u>	<u>4</u>
	Earnings per share (in dollars)	6(27)				
9750	Basic		<u>\$ 0.36</u>		<u>\$ 0.27</u>	
9850	Diluted		<u>\$ 0.36</u>		<u>\$ 0.27</u>	

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

SCINOPHARM TAIWAN, LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Equity attributable to owners of the parent						Total equity
		Share capital - common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Other equity interest	
							Financial statements translation differences of foreign operations	Unrealised gains from financial assets measured at fair value through other comprehensive income
<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
Net income for the year ended December 31, 2019		-	-	-	-	216,656	-	-
Other comprehensive loss for the year ended December 31, 2019	6(6)(18)	-	-	-	-	( 4,749 )	( 56,865 )	( 48,718 )
Total comprehensive income (loss) for the year ended December 31, 2019		-	-	-	-	211,907	( 56,865 )	( 48,718 )
Distribution of 2018 net income:								
Legal reserve		-	-	44,298	-	( 44,298 )	-	-
Cash dividends	6(17)	-	-	-	-	( 387,462 )	-	-
Employee stock option compensation cost	6(15)(16)	-	2,050	-	-	-	-	-
Disposal of equity instruments at fair value through other comprehensive income	6(6)(18)	-	-	-	-	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
<u>For the year ended December 31, 2020</u>								
Balance at January 1, 2020		\$ 7,907,392	\$ 1,294,605	\$ 612,600	\$ 22,829	\$ 490,344	(\$ 98,117 )	\$ 30,291
Net income for the year ended December 31, 2020		-	-	-	-	282,067	-	-
Other comprehensive income for the year ended December 31, 2020	6(6)(18)	-	-	-	-	1,896	22,506	176,406
Total comprehensive income for the year ended December 31, 2020		-	-	-	-	283,963	22,506	176,406
Distribution of 2019 net income:								
Legal reserve		-	-	21,665	-	( 21,665 )	-	-
Special reserve		-	-	-	44,996	( 44,996 )	-	-
Cash dividends	6(17)	-	-	-	-	( 213,500 )	-	-
Employee stock option compensation cost	6(15)(16)	-	84	-	-	-	-	-
Disposal of equity instruments at fair value through other comprehensive income	6(6)(18)	-	-	-	-	164,129	-	( 164,129 )
Balance at December 31, 2020		\$ 7,907,392	\$ 1,294,689	\$ 634,265	\$ 67,825	\$ 658,275	(\$ 75,611 )	\$ 42,568

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



SCINOPHARM TAIWAN, LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 358,505	\$ 265,054
Adjustments			
Adjustments to reconcile profit (loss)			
Loss (gain) on valuation of financial assets and liabilities at fair value through profit or loss		5,092	( 2,511 )
(Gain on reversal of) expected credit losses	12	( 219 )	214
Reversal of allowance for inventory market price decline	6(5)	( 74,840 )	( 51,413 )
Provision for obsolescence of supplies		3,958	8,006
Depreciation of property, plant and equipment	6(7)(24)	369,189	379,537
Depreciation of right-of-use assets	6(8)(24)	14,539	16,972
Property, plant and equipment transferred to loss	6(7)(22)	11,900	22,726
Loss on disposal of property, plant and equipment	6(22)	3,157	39
(Gain on reversal of) impairment loss	6(7)(9)(22)	( 4,282 )	707
Amortisation	6(24)	9,469	12,206
Prepayments for equipment transferred to loss		-	1,967
Employee stock option compensation cost	6(15)(16)	84	2,050
Interest income	6(20)	( 27,408 )	( 37,976 )
Interest expense	6(23)	15,166	55,689
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		204,047	( 31,599 )
Other receivables		( 8,266 )	33,791
Inventories		( 47,959 )	293,845
Prepayments		19,724	( 43,565 )
Changes in operating liabilities			
Contract liabilities - current		10,861	25,368
Notes payable		( 180 )	205
Accounts payable		58,653	11,625
Other payables		18,047	( 12,793 )
Net defined benefit liabilities - non-current		( 581 )	( 617 )
Cash inflow generated from operations		938,656	949,527
Interest received		29,367	37,057
Interest paid		( 15,327 )	( 63,570 )
Income tax paid		( 6,384 )	( 134,069 )
Net cash flows from operating activities		946,312	788,945

(Continued)

SCINOPHARM TAIWAN, LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2020	2019
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets at amortised cost - current		( \$ 607,970 )	( \$ 710,890 )
Proceeds from disposal of financial assets at amortised cost - current		779,230	717,940
Increase in other financial assets - current		( 34,311 )	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(6)	283,501	4,189
Cash paid for acquisition of property, plant and equipment	6(28)	( 65,236 )	( 21,351 )
Proceeds from disposal of property, plant and equipment		135	188
Acquisition of intangible assets		( 3,128 )	( 3,185 )
Increase in prepayments for equipment		( 114,732 )	( 81,164 )
Decrease (increase) in guarantee deposits paid		4,231	( 4,116 )
Net cash flows from (used in) investing activities		241,720	( 98,389 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings	6(29)	( 79,420 )	( 140,356 )
Repayment of the principal portion of lease liabilities	6(29)	( 9,772 )	( 11,335 )
Increase in long-term borrowings	6(29)	89,265	185,704
Decrease in long-term borrowings	6(29)	( 232,695 )	( 1,216,792 )
Increase (decrease) in guarantee deposits received	6(29)	1,214	( 1,618 )
Payment of cash dividends	6(17)	( 213,500 )	( 387,462 )
Net cash flows used in financing activities		( 444,908 )	( 1,571,859 )
Effect of foreign exchange rate changes		6,846	( 17,057 )
Net increase (decrease) in cash and cash equivalents		749,970	( 898,360 )
Cash and cash equivalents at beginning of year	6(1)	3,304,978	4,203,338
Cash and cash equivalents at end of year	6(1)	\$ 4,054,948	\$ 3,304,978

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

## **Appendix 6**

### **ScinoPharm Taiwan, Ltd. Earnings Distribution Plan for Fiscal Year 2020**

Item	Amount (TWD)
After-tax net profit earned in 2020	\$ 282,067,288
Plus: Actuarial gain(loss) presented in retained earnings	1,895,265
Plus: Disposal of equity instruments at fair value through other comprehensive income	164,129,027
Less: Legal reserve	(44,809,158)
Plus: Reversal of special reserve	34,782,774
Distributable profit from this period	<u>438,065,196</u>
Plus: Accumulated undistributed earnings from previous period	210,183,065
Total distributable earnings as of this period	<u>648,248,261</u>
Dividends to shareholders (Cash dividend TWD 500 on each 1,000 shares held)	(395,369,611)
Undistributed earnings as of the end of the period	<u><u>\$ 252,878,650</u></u>

#### Notes:

1. In terms of earnings distribution for fiscal year 2020, 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 : Chih-Hui Lin

## Appendix 7

### ScinoPharm Taiwan, Ltd.

#### Proposed Amendments to the Rules of Procedures for Shareholders' Meeting

Current Provision	Revision Provision	Remark
<p><b>Article 8</b> (Item 1. Omitted) The chairperson of the meeting shall announce to commence the meeting in due course, which announcement may be postponed twice and only twice and up to not more than an hour in total pending the fulfillment of representation of the majority of the total issued shares of the Company. If the total shares represented at the meeting still account for less than one third (1/3) of the total issued shares of the Company after the chairperson has duly twice postponed commencing the meeting, the chairperson shall announce the call for the meeting unsuccessful.</p> <p>Where the total shares represented at the meeting not amounting to the quorum attains one third (1/3) or more of the total issued shares of the Company after the commencement of the meeting is duly twice postponed in accordance with the preceding paragraph, tentative resolutions may be adopted by the meeting under paragraph one of Article 175 of the Company Act, which tentative resolutions must be notified to the shareholders each with the notice of a re-scheduled Shareholders' Meeting to be held within a month.</p> <p>If the quorum of due representation of the majority of the total issued shares of the Company is fulfilled before the meeting ends, the chairperson shall submit the tentative resolutions adopted (if any) to the meeting for re-voting and adoption by the meeting pursuant to Article 174 of the Company Act.</p>	<p><b>Article 8</b> (Item 1. Omitted) The chairperson of the meeting shall announce to commence the meeting in due course <u>and publicize information on both the number of shares without voting right and number of shares in attendance.</u> The announcement may be postponed twice and only twice and up to not more than an hour in total pending the fulfillment of representation of the majority of the total issued shares of the Company. If the total shares represented at the meeting still account for less than one third (1/3) of the total issued shares of the Company after the chairperson has duly twice postponed commencing the meeting, the chairperson shall announce the call for the meeting unsuccessful.</p> <p>Where the total shares represented at the meeting not amounting to the quorum attains one third (1/3) or more of the total issued shares of the Company after the commencement of the meeting is duly twice postponed in accordance with the preceding paragraph, tentative resolutions may be adopted by the meeting under paragraph one of Article 175 of the Company Act, which tentative resolutions must be notified to the shareholders each with the notice of a re-scheduled Shareholders' Meeting to be held within a month.</p> <p>If the quorum of due representation of the majority of the total issued shares of the Company is fulfilled before the meeting ends, the chairperson shall submit the tentative resolutions adopted (if any) to the meeting for re-voting and adoption by the meeting pursuant to Article 174 of the Company Act.</p>	<p>Revised item 2, to uphold corporate governance and shareholders' interests.</p>

Current Provision	Revision Provision	Remark
<p><b>Article 16</b></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>(Item 2: Omitted)</p>	<p><b>Article 16</b></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. <u>List of directors not elected and the amount of votes they obtain should also be announced.</u></p> <p>(Item 2: Omitted)</p>	<p>Revised item 1, to uphold corporate governance and shareholders' interests.</p>
<p><b>Article 21</b></p> <p>These Rules and all subsequent amendments shall come into force on the relevant resolution adopted by the shareholders meeting.</p> <p>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, Jun 23, 2015 and June 30, 2020.</p>	<p><b>Article 21</b></p> <p>These Rules and all subsequent amendments shall come into force on the relevant resolution adopted by the shareholders meeting.</p> <p>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, Jun 23, 2015, June 30, 2020 <u>and June 29, 2021.</u></p>	<p>In line with this revision, previous revision dates have been added.</p>

## Appendix 8

### ScinoPharm Taiwan, Ltd. Information of Director Nominees

Share holder No.	Name of Nominee	Academic Attainments	Major Past Career	Major Current Position	Amount of Shares Held (Unit: Share) [Note]
4	Uni-President Enterprises Corp. Representative: Chih-Hsien Lo	MBA, UCLA, USA	President of Uni-President Enterprises Corp.	Chairman of : Uni-President Enterprises Corp. President Chain Store Corp. Ton Yi Industrial Corp Prince Housing & development Corp. TTET Union Corp. ScinoPharm Taiwan, Ltd.	299,968,639
4	Uni-President Enterprises Corp. Representative: Tsung-Ming Su	MBA, Iowa State Univ., USA	Chief Financial Officer of Uni-President Enterprises Corp.	President of : ScinoPharm Taiwan, Ltd. Director of : ScinoPharm Taiwan, Ltd.	299,968,639
4	Uni-President Enterprises Corp. Representative: Tsung-Pin Wu	Accounting, Chung Yuan Christian University	Supervisor of : Tait Marketing & Distribution Co., Ltd.	Chief Accounting Officer of Uni-President Enterprises Corp. Director of : ScinoPharm Taiwan, Ltd.	299,968,639
4	Uni-President Enterprises Corp. Representative: Fu-Jung Lai	MBA, Kun Shan Univ., R.O.C.	Director of Uni-President Social Welfare Charity Foundation	Vice President of the President's Office of Uni-President Enterprises Corp./ Corporate Governance Officer Director of : ScinoPharm Taiwan, Ltd.	299,968,639
4	Uni-President Enterprises Corp. Representative: Chin-Yuan Cheng	Ph.D., Chemical and Biomolecular Engineering Department, The Ohio State University, U.S.A.	Director, Dairy Products Development Division, Uni-President Enterprises Corp.	Director, Purchasing Division, Uni-President Enterprises Corp	299,968,639
4	Uni-President Enterprises Corp. Representative: Jia-Horng Guo	Master of Finance, University of Illinois	Director of : Taishin Securities Co., Ltd	Chairman of : Taishin Securities Co., Ltd Director of : ScinoPharm Taiwan, Ltd.	299,968,639
5	Tainan Spinning Co., Ltd. Representative: Po-Ming Hou	Chinese Culture University	Chairman and President of Tainan Spinning Co., Ltd	Chairman of : Tainan Spinning Co., Ltd Director of : ScinoPharm Taiwan, Ltd.	23,605,921
860	Kao Chyuan Inv. Co., Ltd. Representative: Shiow-Ling Kao	Marymount College, USA.	Chairman of : President Fair Development Corp.	Chairman of : Kao Chyuan Inv. Co., Ltd. Director of : ScinoPharm Taiwan Ltd.	14,832,733
861	President International Development Corp. Representative: Chiou-Ru Shih	MA in Economics, University of Hawaii	Vice Director of President International Development Corp.	Vice President of President International Development Corp. Director of : ScinoPharm Taiwan, Ltd.	28,673,421

Share holder No.	Name of Nominee	Academic Attainments	Major Past Career	Major Current Position	Amount of Shares Held (Unit: Share) [Note]
1	National Development Fund, Executive Yuan Representative: Ming-Chuan Hsieh	Master of Health Services Administration, China Medical University	Executive Supervisor, Taiwan Health & Wellness Counseling Association	Assistant Professor of Chia Nan University of Pharmacy & Science Director of : Harbinger VI Venture Capital Corp. ScinoPharm Taiwan, Ltd. Independent Director of : Uni Pharma Co., Ltd	109,539,014
1	National Development Fund, Executive Yuan Representative: Ya-Po Yang	Ph.D. in Economics, Department of Economics National Taiwan University	Professor and Chairperson of Institute of Department of International Business, College of Business, Southern Taiwan University of Science and Technology	Professor of Institute of Business and Management, College of Management, National University of Kaohsiung Director of : ScinoPharm Taiwan, Ltd.	109,539,014
2	Taiwan Sugar Corporation Representative: Kuo-Hsi Wang	Ph.D. in Agricultural Chemistry, Department of Agricultural Chemistry National Taiwan University	Taiwan Sugar Corporation Chief , Deputy Chief Executive Officer , Institute Chair , Vice President	President of : Taiwan Sugar Corporation Director of : ScinoPharm Taiwan, Ltd.	32,581,963

Note : Shareholdings as of share transfer registration closing beginning on May 1<sup>st</sup>, 2021.

**ScinoPharm Taiwan, Ltd.**  
**Information of Independent Directors Nominees**

Name of Nominee	Academic Attainments	Past Career	Current Position	Amount of Shares Held (Unit: Share) [Note]	Serve as Independent Director for three consecutive terms
Lewis Lee	Master of Commerce, Department of Accounting, National Chengchi University	Deputy Chairman of PwC Taiwan	<ol style="list-style-type: none"> <li>1. Deputy Chairman, Zhi Cheng Co-Located CPA Firm</li> <li>2. Adjunct Associate Professor, National Cheng Kung University</li> <li>3. Independent director, Soft –World International Corp.(Note 2)</li> <li>4. Independent director, Brogent Technologies Inc.</li> <li>5. Independent director, All Ring Tech Co., Ltd.</li> <li>6. Independent director, Poya International Co., Ltd.</li> <li>7. Independent director, Xiamen Jinyuan President Securities Corp. Ltd.</li> </ol>	0	No
Li-Tzong Chen	Ph.D, Kaohsiung Medical University Graduate Institute of Clinical Medicine	<ol style="list-style-type: none"> <li>1. Research Vice Superintendent, Kaohsiung Medical University Chung-Ho Memorial Hospital</li> <li>2. Director, Cancer Center of Kaohsiung Medical University Chung-Ho Memorial Hospital</li> <li>3. Acting Board Director of Taiwan Oncology Society</li> <li>4. Acting Supervisor of The Gastroenterological Society of Taiwan</li> <li>5. Deputy Chair of National Institute of Cancer Research, National Health Research Institutes</li> <li>6. Adjunct Professor ,College of Medical Science and Technology, Taipei Medical University</li> <li>7. Acting Director of Taiwan Pancreas Society</li> <li>8. R&amp;D consultant of Pharma Engine Inc.</li> </ol>	<ol style="list-style-type: none"> <li>1. Distinguished Investigator &amp; Director, National Institute of Cancer Research, National Health Research Institutes</li> <li>2. President of Taiwan Oncology Society</li> <li>3. Chair Professor , Internal Medicine, Kaohsiung Medical University</li> <li>4. Emeritus Chair Professor of Institute of Biomedical Sciences, National Sun Yat-sen University</li> <li>5. Adjunct Professor, Dept. Bio Science &amp; Tech, National Yang Ming Chiao Tung University</li> <li>6. Adjunct Attending Physician, Department of Internal Medicine, National Cheng-Kung University Hospital, Tainan</li> <li>7. Professor, jointly appointed, Institute of Clinical Medicine, College of Medicine, NCKU</li> <li>8. Professor, jointly appointed, Dept. of Internal Medicine, Clinical Medicine, NCKU</li> <li>9. Professor, jointly appointed, Institute of Molecular Medicine, NCKU</li> <li>10. Professor, jointly appointed, Institute of Clinical Pharmacy and Pharmaceutical Sciences, NCKU</li> <li>11. Independent Director, ScinoPharm Taiwan, Ltd.</li> </ol>	0	No



Wen-Chang Chang	Ph.D. Physiological Chemistry, University of Tokyo, Faculty of Pharmaceutical Sciences, Tokyo, Japan	1. Vice Chairman, Institute for Biotechnology and Medicine Industry 2. Deputy Minister, National Science Council 、 General Director, Department of Life Sciences, National Science Council, Taiwan 3. National Cheng Kung University, Tainan, Taiwan : Professor, Department of Pharmacology, College of Medicine 、 Chairman, Department of Pharmacology, National Cheng Kung University 、 Chairman, Institute of Basic Medical Sciences, National Cheng Kung University 、 Associate Dean, College of Medical 、 University Chair Professor 、 Director, Center for Biosciences and Biotechnology 、 Dean, College of Bioscience and Biotechnology 、 Distinguished Chair Professor 、 Emeritus Distinguished Chair Professor	1. Chairman, Board of Trustees, of Graduate Institute of Medical Sciences, College of Medicine, Taipei Medical University 2. Chair Professor, Graduate Institute of Medical Sciences, College of Medicine, Taipei Medical University 3. Emeritus Distinguished Chair Professor of National Cheng Kung University 4. Academician of Academia Sinica 5. Remuneration Committee member of Universal Cement Corporation 6. Independent Director, ScinoPharm Taiwan, Ltd.	0	No
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Note 1: Shareholdings as of share transfer registration closing beginning on May 1<sup>st</sup>, 2021.

Note 2: Tenure will end on June 13<sup>th</sup> 2021.

## Appendix 9

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

Name	Current Position with Other Company
Uni-President Enterprises Corp. Representative Chih-Hsien Lo	<p><b>Chairman of :</b>  Uni-President Enterprises Corp., President Natural Industrial Corp., Ton Yi Industrial Corp., Ttet Union Corporation, Prince Housing &amp; 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., Nanlien International Corp., Cheng-Shi Investment Holding Co., Prince Real Estate Co., Times Square International Holding Co., Times Square International Hotel Co., Times Square International Stays Co., Uni-President Express Corp.</p> <p><b>Vice Chairman of :</b> President Nisshin Corp.</p> <p><b>Director of :</b>  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-President Southeast Asia Holdings Ltd., Uni-President Asia Holdings Ltd., Uni-President Hong Kong Holdings Ltd., Champ Green Capital Co., Ltd., Champ Green (Shanghai) Consulting Co., Ltd., Uni-President Enterprises (Guangzhou) Co., Ltd., Uni-President Enterprises (Fuzhou) Co., Ltd., Uni-President Enterprises (Xinjiang) Food Co., Ltd., Uni-President Enterprises (Wuhan) Food Co., Ltd., Uni-President Enterprises (Kunshan) Food Co., Ltd., Uni-President Enterprises (Chengdu) Food Co., Ltd., Uni-President Enterprises (Shenyang) Co., Ltd., Uni-President Enterprises (Harbin) Co., Ltd., Uni-President Enterprises (Hefei) Co., Ltd., Uni-President Enterprises (Zhengzhou) Co., Ltd., Uni-President Enterprises (Beijing) Drink Co., Ltd., Uni-President Enterprises (Kunshan) Food Technology Co., Ltd., Uni-President Enterprises (Nanchang) Co., Ltd., Uni-President (Shanghai) Trading Co., Ltd., Uni-President Enterprises (Kunming) Food Co., Ltd., Uni-Yantai Tongli Beverage Industries Co., Ltd., Uni-President Enterprises (Changsha) Co., Ltd., Uni-President (Bama) Mineral Water Co., Ltd., Uni-President Enterprises (Nanning) Co., Ltd., Uni-President Enterprises (Zhanjiang) Co., Ltd., Uni-President Enterprises (Chongqing) Co., Ltd., Uni-President Enterprises (Taizhou) Co., Ltd., Uni-President Enterprises (Akesu) Co., Ltd., Uni-President Enterprises (Changchun) Co., Ltd., Uni-President (Shanghai) Pearly Century Co., Ltd., Uni-President Enterprises (Baiyin) Co., Ltd., Hainan President Enterprises Co., Ltd., Uni-President Enterprises (Guiyang) Co., Ltd., Uni-President Enterprises (Jinan) Co., Ltd., Uni-President Enterprises (Hangzhou) Co., Ltd., Uni-President Enterprises</p>

Name	Current Position with Other Company
	<p>(Wuxue) Mineral Water Co., Ltd., Shijiazhuang President Enterprises Co., Ltd., Uni-President Enterprises (Xuzhou) Co., Ltd., Uni-President Enterprises (Henan) Co., Ltd., Uni-President Trading (Kunshan) Co., Ltd., Uni-President Enterprises (Shaanxi) Co., Ltd. 、 Uni-President Enterprises (Jiangsu) Co., Ltd., Uni-President Enterprises (Changbai Mountain Jilin) Mineral Water Co., Ltd., Uni-President Enterprises (Ningxia) Co., Ltd., Uni-President Enterprises (Shanghai) Co., Ltd., Uni-President Enterprises (Inner Mongolia) Co., Ltd., Uni-President Enterprises (Shanxi) Co., Ltd., Uni-President Enterprise (Hutubi) Tomato Products Technology Co., Ltd., Uni-President Enterprises (Shanghai) Drink &amp; Food Co., Ltd., Uni-President Enterprises (Tianjin) Co., Ltd., Uni-President Enterprises (Hunan) Co., Ltd., Uni-Oao Travel Service Corp., 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 &amp; Distribution Co., Ltd., Wei Lih Food Industrial Co., Ltd., Keng Ting Enterprises Co., Ltd., President Chain Store (BVI) Holdings Ltd., President Chain Store (Labuan) Holdings Ltd., Rsi, Retail Support International Corp., Prince Property Management Consulting Co., Uni-President Assets Holdings Ltd., Kao Chuan Inv. Co., Ltd.</p> <p><b>Supervisor of :</b> Infinity Holdings Ltd., Eternity Holdings Ltd.</p> <p><b>President of :</b> Presco Netmarketing Inc., Uni-President Express Corp.</p>
Uni-President Enterprises Corp. Representative: Tsung-Ming Su	<p><b>Chairman of :</b> President Life Sciences Co., Ltd., Tong Yu Investment Corp. Uni-President Development Corp., AndroSciences Corp.</p> <p><b>Director of :</b> President Chain Store Corp., Grand Bills Finance Corp., President International Development Corp., Uni-President China Holdings 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><b>Supervisor of :</b> Presicarre Corp., Uni-President Enterprises (China) Investment Co., Ltd., Presco Netmarketing Inc.</p> <p><b>President of :</b> President International Development Corp., President Property Corp.</p>
Kao Chyuan Inv. Corp. Representative: Shiow-Ling Kao	<p><b>Chairman of :</b> Infinity Holdings Ltd., Eternity Holdings Ltd., President Fair Development Corp., Uni-President Department Store Corp., President Being Corp., President Pharmaceutical Corp., President Drugstore Business Corp., Kao Chuan Inv. Co., Ltd.</p>

Name	Current Position with Other Company
	<p><b>Director of :</b>  Uni-President Enterprises Corp., Uni-Wonder Corp., Ton Yi Industrial Corp., Prince Housing &amp; Development Corp., President International Development Corp., President Chain Store Corp., President Century Corp., Uni-President Development Corp., President (Shanghai) Health Product Trading Co., Ltd., Beauty Wonder (Zhejiang) Trading Co. ,Ltd., Times Square International Holding Co.,  Times Square International Hotel Co.</p> <p><b>President of :</b> President Fair Development Corp. 、 Kao Chuan Inv. Co., Ltd.</p>
Tainan Spinning Co., Ltd. Representative: Po-Ming Hou	<p><b>Chairman of :</b>  Tainan Spinning Co., Ltd., Tainan Spinning Retail &amp; Distribution Co., Ltd., Tainan Spinning Co., Ltd.(Vietnam), Nan-Fan International Investment (Cayman), Ltd., Tainan Textile Co., Ltd., Yu Peng Investment Co., Ltd., New Yupeng Investment Co., Ltd., Tainan Spinning Cultural and Educational Foundation.</p> <p><b>Director of :</b>  Nanfang Development Co., Ltd., Tainan Spinning Holdings (Cayman Islands) Co., Ltd., Prince Housing &amp; Development Corp., Uni-President Enterprises Corp., President International Development Corp., Nantex Industry Co., Ltd., T. G. I. Co., Ltd., President Real Estate(U.S.) Investment Co, Nan Tai Royal Co., Ltd.</p>
Uni-President Enterprises Corp. Representative: Tsong-Pin Wu	<p><b>Chairman of :</b>  Tung –Ren Pharmaceutical Corp., Kai Nan Investment Co.,</p> <p><b>Director of :</b>  President Chain Store Corp., Prince Housing &amp; Development Corp., President Fair Development Corp., Uni-President (Vietnam) Co., Ltd., Uni-President Hong Kong Holdings Ltd., Kuang Chuan Dairy Co., Ltd., Kuang Chuan Foods Ltd., Tung Lo Development Co., Ltd., Tone Sang Construction Corp., Prince Real Estate Co., Times Square International Holding Co., Times Square International Hotel Co. Cheng-Shi Investment Holding Co.</p> <p><b>Supervisor of :</b>  President Kikkoman Inc., President International Development Corp., President Century Corp., President Professional Baseball Team Corp., Mean Time Enterprise Co., Nanlien International Corp., Times Square International Stays Co., Woongjin Foods Co., Ltd., Daeyoung Foods Co., Ltd., Uni-President Express Corp. Kunshan President Kikkoman Biotechnology Co., Ltd., President Kikkoman Zhenji Foods Co., Ltd., Ltd.,</p>
Uni-President Enterprises Corp. Representative: Chin-Yuan Cheng	<p><b>Chairman of :</b> Jin-Guan-Cheng Corp.</p>

Name	Current Position with Other Company
Uni-President Enterprises Corp. Representative: Jia-Horng Guo	<b>Vice Chairman of :</b> Taishin Securities Co., Ltd. <b>Supervisor of :</b> Standard Motor Corp., Dynasty Techwood Corp.
President International Development Corp.	<b>Chairman of :</b> President Life Sciences Co., Ltd., AndroSciences Corp. <b>Director of :</b> Allianz Pharmascience Ltd., Helios Bioelectronics Inc., Dabomb Protein Corp., RenalPro Medical, Inc.
President International Development Corp. Representative: Chiou-Ru Shih	<b>Director of :</b> SyNergy ScienTech Corp., President Life Sciences Cayman Co., Ltd., Grand Bills Finance Corp., Helios Bioelectronics Inc., Dabomb Protein Corp., IMQ Technology Inc. <b>Vice President of :</b> President International Development Corp.
National Development Fund, Executive Yuan	<b>Director of :</b> 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. Point Robotics MedTech Inc.
National Development Fund, Executive Yuan Representative: Ming-Chuan Hsieh	<b>Director of :</b> Harbinger VI Venture Capital Corp., <b>Independent Director of :</b> Uni Pharma Co., Ltd <b>Supervisor of :</b> Han Tong Investment Inc., Harbinger VIII Venture Capital Corp., <b>Remuneration Committee member of :</b> PharmaEssentia Corp.
Taiwan Sugar Corp.	Taiwan Sugar Corp. <b>Director of :</b> United Biomedical Inc. (Asia), TaiGen Biopharmaceuticals Holdings Ltd.
Taiwan Sugar Corp. Representative: Kuo-Hsi Wang	<b>Vice President of :</b> Taiwan Sugar Corp. <b>Director of :</b> United Biomedical Inc. (Asia), TaiGen biotechnology Co., Ltd.
Lewis Lee	<b>Independent Director of :</b> Brogent Technologies Inc., All Ring Tech Co., Ltd., Poya International Co., Ltd. Jin Yuan President Securities Corporation Limited.
Wen-Chang Chang	<b>Chairman of :</b> Taipei Medical University <b>Remuneration Committee member of :</b> Universal Cement Corp.

#### **IV. Exhibits**

##### **Exhibit 1**

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

#### **Article 1**

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

#### **Article 2**

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

#### **Article 3**

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

The (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, Capital reduction, application for end of public share offering, permission for competition act by directors capital increase with earnings, capital increase with capital surplus, 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 and explain major content in the proposed agenda and cannot be proposed by way of an extempore motion at the meeting. Major contents can be posted on website of securities regulator or website designated by the company, whose website should be specified in notice.

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.

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. Shareholders' proposal is meant to prompt the company contributing to public benefit and fulfilling social responsibility and therefore should be included in the agenda. The Board of Directors may decide not to include the above motion in the agenda if the motion proposed runs into any of the circumstances provided in paragraph four of Article 172-1 of the Company Act.

The Company shall make a public notice to announce the time period (which shall not be less than ten days) and the place where the shareholder shall send his/her motion to be proposed to the general shareholders meeting, accepted proposals can be in written or by electronic form, which public notice shall be made prior to the start date of the duration when the transfer of the shares of the Company shall cease for the purpose of the convention of the shareholders meeting.

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

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

#### **Article 4**

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).

#### **Article 5**

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

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

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

#### **Article 6**

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

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

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

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

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

A government or corporate shareholder may be represented at the Shareholders' Meeting of the Company by one or more representatives. A juristic person acting in proxy at the Shareholders'

Meeting of the Company may appoint one and only one individual to act as its representative at the meeting.

#### **Article 7**

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

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

The shareholders meeting convened by the Board of Directors should be presided by the Chairman of the Board of Directors and attended by the majority of the directors (including presence of at least one independent director and coordinator of the auditing committee,) and one or more members for each of the function-oriented committees established; and the attendance to the meeting shall be recorded in the minutes of the meeting.

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

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

#### **Article 8**

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

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

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

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



## **Article 9**

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

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

## **Article 10**

The agenda of the shareholders meeting convened by the Board of Directors shall be compiled and produced by the Board of Directors. Related issues proposed (including extempore motions and revision of the original issues) should materialize the principle of voting on cases one by one. The meeting shall proceed strictly in accordance with the agenda except as otherwise changed by the relevant resolution adopted by the shareholders' meeting.

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

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

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

## **Article 11**

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

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

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

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

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

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

**Article 12**

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

**Article 13**

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

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

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

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

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

**Article 14**

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

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

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

**Article 15**

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

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

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

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

#### **Article 16**

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.

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

#### **Article 17**

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

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

The meeting minutes shall accurately record the year, month, date, the venue, name of the chairperson, method of adopting resolutions, the gist of the proceeding and the voting conclusion of the meeting(including statistical weighting factor put on record). Disclose the amount of weighted votes for every candidate and kept by the Company throughout the existence of the Company.

#### **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.

#### **Article 19**

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

The chairperson may direct the order-maintaining working personnel or the security guards to

assist in maintaining the order of the meeting, who shall each wear a badge or arm-band indicating Order-maintaining Personnel.

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

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

#### **Article 20**

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

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

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

#### **Article 21**

These Rules and all subsequent amendments shall come into force on the relevant resolution adopted by the shareholders meeting.

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, Jun 23, 2015 and June 30, 2020.

## **Exhibit 2**

### **ScinoPharm Taiwan, Ltd. Rules Governing Election of Directors**

#### **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.

#### **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.

#### **Article 3**

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

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

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

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

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

#### **Article 4**

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

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

#### **Article 5**

The directors of the Company shall be elected based on nomination in accordance with Article 192-1 of the Company Act.

Should for whatever reason the number of directors falls below 5, the Company shall have new directors elected by the upcoming shareholders meeting.

Notwithstanding, where the vacant offices of the directors account for 1/3 or the number specified in the Articles of Incorporation of the Company, the Company shall, within 60 days

from the date of the occurrence, convene an extraordinary shareholders meeting to elect new directors to fill in the vacancies.

Where the number of independent directors falls short of the number provided in the Article 23 of the Articles of Incorporation, new independent directors shall be elected by the upcoming shareholders meeting to fill the vacancies. Where all of the independent directors have been removed or discharged, an extraordinary shareholders meeting must be convened within 60 days of the occurrence to elect new independent directors.

#### **Article 6**

The nominated cumulative voting system is adopted for the election of the directors of the Company:

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

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

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

#### **Article 7**

The Company 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. The Ballot forms will not be reprinted if the shareholders voted electronically.

#### **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.

#### **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 be prepared by the Company and openly inspected by the scrutineers before the voting commences.

#### **Article 10**

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

#### **Article 11**

The vote cast shall be void if

1. the ballot is not cast in the authorized ballot form prepared by the Company;
2. the ballot cast is blank;
3. the ballot is unintelligible or in any way altered;
4. the personal name or the shareholder account number of the shareholder candidate voted

- indicated in the ballot is inconsistent with that recorded in the shareholders roster; or the name or identification number of the non-shareholder candidate voted is untrue;
5. the ballot cast bears any word other than the voted (shareholder) candidate's personal name and (shareholder account) identification number; or
  6. the (shareholder) candidate's personal name indicated in the ballot is identical with that of another (shareholder) candidate but there is no (shareholder account number) identification number available to determine the candidate voted.

#### **Article 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.

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

#### **Article 13**

The Board of Director will issue a certificate of election to the directors elect each.

#### **Article 14**

These Rules and all subsequent amendments shall come into force on the relevant resolution adopted by the shareholders meeting.

These Rules were established on May 14 2004 and subsequently revised as follows: September 25, 2009, December 9, 2010, June 13 2012, June 21, 2013, June 23 2015, and June 30, 2020.

## **Exhibit 3**

### **ScinoPharm Taiwan, Ltd. Articles of Incorporation**

#### **Chapter 1 General Provisions**

##### **Article 1**

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

##### **Article 2**

The business items of the Company are as follows:

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

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

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

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

##### **Article 3**

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

##### **Article 4**

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

##### **Article 5**

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

#### **Chapter 2 Capital**

##### **Article 6**

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

##### **Article 7**

All of the Company's shares bear the signatures and seals of the Company's directors and shall



be issued with certification by banks with qualification to be legally authorized registrars for stock issuance. The Company may elect not to produce the certificates on the shares issued after completing the registration of the issued shares with the centralized securities depository institution.

#### **Article 8**

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

#### **Article 9**

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

#### **Article 10**

The stock affairs agency of the Company may collect reasonable procedural charges on each request for re-issuance of share certificate on account of the transfer, division of the share or the loss, damage or destruction of the share certificate according to the "Criteria Governing Handling of Stock Affairs by Public Stock Companies," unless there is different stipulation in legislation and securities regulations.

#### **Article 11**

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

#### **Article 12**

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

#### **Article 13**

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

### **Chapter 3 Shareholders' Meeting**

#### **Article 14**

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

#### **Article 15**

The meeting of the shareholders of the Company shall be convened in accordance with the

Company Act, Securities and Exchange Act, and the relevant laws and regulations according to the public announcement or notice issued by the competent securities authority.

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

#### **Article 16**

Except as otherwise provided by the Company Act and other legislations, the Shareholders' Meeting must be attended by the shareholders in person or their proxies representing over half of the shares in issued. The resolution of the Shareholders' Meeting must be adopted by the majority of the votes represented at the meeting.

#### **Article 17**

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

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

#### **Article 18**

The shareholder who for whatever reason is unable to attend the Shareholders' Meeting in person may designate a proxy to attend and act in his/her stead at the meeting by executing the proxy letter form prepared by the Company specifying the scope of authorization to the proxy.

The proxy designated may be a non-shareholder of the Company. Subject to the public offering of the Company, The related operation shall be in accordance with the "Rules Governing the Use of Proxies for Attendance at Shareholder Meeting of Public Companies" and other related legislations.

#### **Article 19**

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

#### **Article 20**

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

#### **Article 21**

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

## **Chapter 4 Directors**

### **Article 22**

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

### **Article 23**

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

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

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

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

### **Article 24**

The Directors each of the Company will serve an office term of three years and may be re-elected; but the independent director shall serve in office for a term of not more than 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.

The Company should procure liabilities insurance for the Directors elected during their office term.

### **Article 25**

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

### **Article 26**

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

### **Article 27**

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

### **Article 28**

The meeting of the Board of Directors shall be presided by the Chairman/Chairwoman of the

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

## **Article 29**

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

- (1) Revision of these Articles of Incorporation.
- (2) Contract with a proposed value equal to or exceeding the relevant authorized amount (which authorized amount is to be defined by the Board of Directors authorized to do so).
- (3) Major capital expenditure not included in the relevant approved budget with a proposed sum equal to or exceeding the relevant authorized amount (which authorized amount is to be defined by the Board of Directors authorized to do so), which proposed sum cannot be divided into smaller amounts to obtain easy approval and which proposed sum as approved cannot be divided for spending.
- (4) Establishment of company bylaws with respect to the handling of transactions where the Company is to externally provide guaranty, endorsement, accept to honor, commit, advance payments, provide lending, procure loan, sell account receivables.
- (5) Establishment and removal of branches and offices of the Company.
- (6) Investment in, merge or acquire other businesses.
- (7) Transfer, assignment, sale, lease, pledge, mortgage or otherwise dispose of the entire assets or important assets of the Company.
- (8) Transaction by and between the Company and its affiliate or the shareholder, director of the Company or their relative.
- (9) Approval and revision of agreements proposed on transfer or licensing of technology, know-how or patent right.
- (10) Approval and revision of trademark license agreement with an effective term of one year or more.
- (11) Proposed earnings distribution plan (or loss appropriation plan).
- (12) Review and approval of proposed budgetary plan and final accounting.
- (13) Proposed increase or decrease in the capital of the Company.
- (14) Proposed operation plan; proposed factory construction or expansion projects.
- (15) Appointment, re-appointment and dismissal of the certified public accountant, legal counsel of the Company and the lead underwriter and secondary underwriter handling the public listing or over-the-counter trading of the shares of the Company.
- (16) Appointment and dismissal of the general manager of the Company.
- (17) Establishment of the bylaws with respect to the powers and authorization to be exercised by the Chairman of the Board of Directors and the general manager respectively.
- (18) Establishment of bylaws with respect to the hiring, promotion of employees and the salary payment policy.
- (19) Other bylaws with respect to the organization of the Company and the relevant implementation rules.
- (20) Other matters proposed that must be duly submitted to the Shareholders' Meeting for approval.

## **Article 30**

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

#### **Article 31**

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

#### **Article 32**

The functions, powers and duties exercised by Supervisors under the Company Act, Securities and Exchange Act and other laws and regulations shall apply to the Audit Committee with necessary and appropriate alterations upon the establishment of the Audit Committee.

#### **Article 33**

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

#### **Article 34**

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

#### **Article 35**

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

### **Chapter 5 Managerial Officers**

#### **Article 36**

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

#### **Article 37**

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

#### **Article 38**

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

## **Chapter 6 Fiscal Reports**

### **Article 39**

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

- (1) Business report.
- (2) Financial statements.
- (3) Proposed earnings distribution plan or loss appropriation plan.

### **Article 40**

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

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

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

### **Article 41**

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

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

## **Chapter 7 Supplemental Provisions**

**Article 42**

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

**Article 43**

These Articles of Incorporation established on October 16, 1997, have been revised as follows: 1st revision of March 17, 1998, 2nd revision of April 7, 1999, 3rd revision of July 21, 2000, 4th revision of December 3, 2001, 5th revision of June 13, 2002, 6th revision of March 13, 2003, 7th revision of June 30, 2003, 8th revision of June 30, 2003, 9th revision of May 14, 2004, 10th revision of June 3, 2005, 11th revision of October 3, 2005, 12th revision of February 15, 2006, 13th revision of June 7, 2006, 14th revision of June 18, 2009, 15th revision of September 25, 2009, 16th revision of April 29, 2010, 17th revision of December 9, 2010, 18th revision of June 13, 2012, 19th revision of June 21, 2013, 20th revision of June 18, 2014, 21st revision of June 27, 2016, 22nd revision of June 27, 2016, 23rd revision of June 27, 2018, 24th revision of June 30, 2020.

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

#### **Exhibit 4**

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

Not applicable because the Company's Board of Directors did not propose stock dividend distribution for the year of 2020.



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

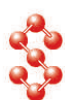
1. According to Article 26 of the Securities and Exchange Act, the total amount of shares held by the directors of the Company as a whole shall account for no less than 25,303,655 shares.
2. According to the Company's shareholders register as of the suspension of transfer of the shares of the Company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

As of April 30, 2021

<b>Title</b>	<b>Name</b>	<b>Amount of shares held</b>
Chairman of the Board of Directors	Uni-President Enterprises Corp. Representatives: Chih-Hsien Lo	299,968,639
Director	Uni-President Enterprises Corp. Representatives: Tsung-Ming Su , Kun-Shun Tsai, Tsung-Pin Wu, Jia-Horng Guo Fu-Jung Lai	299,968,639
Director	National Development Fund, Executive Yuan Representatives: Ming-Chuan Hsieh Ya-Po Yang	109,539,014
Director	Tainan Spinning Co., Ltd. Representative: Po-Ming Hou	23,605,921
Director	Kao Chyuan Investment Co., Ltd. Representative: Shioh-Ling Kao	14,832,733
Director	President International Development Corp. Representative: Chiou-Ru Shih	28,673,421
Director	Taiwan Sugar Corp. Representative: Kuo-Hsi Wang	32,581,963
Independent Director	Wei-Te Ho	—
Independent Director	Wen-Chang Chang	—
Independent Director	Li-Tzong Chen	—
<b>Total</b>		<b>509,201,691</b>

Notes:

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



ScinoPharm

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