

**ScinoPharm Taiwan, Ltd.**  
**2015 Annual General Shareholders' Meeting Minutes**  
**(Translation)**

Time and Date: 9:30AM, 23 June 2015

Place: the Auditorium, Southern Taiwan Science Park Administration Building

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

Total shares represented by shareholders present in person or by proxy: 576,533,033 shares (including 52,400,664 shares voted electronically and 5,128,004 shares by proxy), or 82.01% of the total 702,964,288 outstanding shares.

Attended Directors: Kao-Huei Cheng 、 Chih-Hsien Lo 、 Tsung-Ming Su 、 Chiou-Ru Shih 、 Po-Wu Gean 、 Chien-Li Yin 、 Ih-Jen Su (independent director) 、 Wei-Te Ho (independent director)

Attendees: Accountant (LIN Tzu-Yu), Attorney (Albert Fang)

Chairperson: Mr. Kao-Huei Cheng, Chairman of the Board of Directors

Recorder: Jane Liu

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

**A. Chairperson's address (omitted)**

**B. Report Items :**

(1) Business report on 2014 (See Appendix 1).

(2) Audit Committee's review opinions on 2014 Financial Results (See Appendix 2).

(3) Proposed revision of the Code of Ethics and Conduct (See Appendix 5).

**C. Matters for ratification:**

(1) Business Report and Financial Statements for 2014 (as adopted by the meeting of the Board of Directors)

Explanation:

- a. The non-consolidated and consolidated financial statements of 2014 of the Company as adopted by the 25 March 2015 meeting of the Board of Directors and duly certified by LIN Tzu-Yu, Certified Public Accountant and LIU Tzu-Meng, Certified Public Accountant from PricewaterhouseCoopers Taiwan were duly submitted in conjunction with the Business Report to the Audit Committee for inspection. This inspection was completed with the Auditors' Reports duly issued.
- b. Please see Appendix 1 and Appendices 3-4 for the Business Report, Auditors' Reports, non-consolidated and consolidated financial statements.
- c. It is proposed that resolution be adopted to ratify the above reports, books, records and financial statements.

Resolution:

Voting Result- The number of shares with voting rights represented by the shareholders present at the time of voting was 576,532,871 votes.

The number of votes for approval was 563,296,022(including 39,523,013 exercised via electronic transmission), accounted for 97.70% of total shares with voting rights present.

The number of votes for disapproval was 43,568 (including 43,568 exercised via electronic transmission), accounted for 0.01% of total shares with voting rights present.

The number of votes for abstaining/no vote was 13,193,281 (including 12,834,083 exercised via electronic transmission), accounted for 2.29% of total shares with voting rights present.

The number of Invalid votes was 0, accounted for 0.00% of total shares with voting rights present.

The resolution is adopted by a majority vote of the shareholders who represent a majority of the total number of its outstanding shares.

Approved and acknowledged as proposed by the Board of Directors by voting.

(2) Proposed earnings distribution plan for fiscal year 2014 (as adopted by the meeting of the Board of Directors)

Explanation:

- a. The Company's earnings distribution for fiscal year 2014 is proposed, in accordance with the Company Act and its Articles of Incorporation, by the Board of Directors as follows:
- b. With TWD 573,149,409 of cumulative distributable earnings for the period of 2014, the Company proposes to pay a cash dividend of TWD 0.2 and a stock dividend of TWD 0.4 for each share held.
- c. In the event that, before the distribution record date, the proposed profit distribution is affected by any change in equity, it is proposed that the Board of Directors be authorized to adjust the cash and stock to be distributed to each share based on the number of actual shares outstanding on the record date for distribution. It is proposed that the Board of Directors be authorized to determine the necessary action.
- d. Subject to approval of the proposed earnings distribution plan by the shareholders' meeting, it is proposed that the Board of Directors be authorized to determine the ex-dividend date, dividend distribution date and other relevant matters.

**ScinoPharm Taiwan, Ltd.**  
**Earnings Distribution Plan for Fiscal Year Ended 31 December 2014**

Item	Amount (TWD)
After-tax net profit earned in 2014	484,142,565
Less: Legal reserve	(48,414,257)
Plus: Actuarial gain(loss) presented in retained earnings	(1,812,610)
Distributable profit from this period	433,915,698
Plus: Accumulated undistributed earnings from previous period	139,233,711
Total distributable earnings as of this period	573,149,409
Dividends to shareholders	
(Cash dividend TWD 200 on each 1,000 shares held)	(140,592,858)
(Stock dividend 40 shares on each 1,000 shares held)	(281,185,720)
Undistributed earnings as of the end of the period	151,370,831

**Notes:**

1. Remuneration payable to directors and supervisors for 2014 calculated based on the total distributable earnings of the year is TWD 8,678,314 with TWD 8,714,677 thereof accounted as the estimated amount payable and the difference of TWD 36,363 will be accounted as the gain (loss) in year 2015.
2. Bonus to employees payable for 2014 calculated based on the total distributable earnings of the year is TWD 867,832 with TWD 871,466 accounted as the estimated amount payable and the difference of TWD 3,634 will be accounted as the gain (loss) in year 2015.
3. In terms of earnings distribution for fiscal year 2014, 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.
4. 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 : Kao-Huei Cheng

CEO : Yung Fa Chen

Chief Accountant : Carrie Lin

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

**Resolution:**

Voting Result - The number of shares with voting rights represented by the shareholders present at the time of voting was 576,532,871 votes.

The number of votes for approval was 563,292,062 (including 39,519,053 exercised via electronic transmission), accounted for 97.70% of total shares with voting rights present.

The number of votes for disapproval was 47,528(including 47,528 exercised via electronic transmission), accounted for 0.01% of total shares with voting rights present.

The number of votes for abstaining/no vote was 13,193,281 (including 12,834,083 exercised via electronic transmission), accounted for 2.29% of total shares with voting rights present.

The number of Invalid votes was 0, accounted for 0.00% of total shares with voting rights present.

The resolution is adopted by a majority vote of the shareholders who represent a majority of the total number of its outstanding shares.

Approved and acknowledged as proposed by the Board of Directors by voting.

## **D. Matters for discussion and resolution**

(1) Capital increase by issuing new shares on retained earnings (as adopted by the meeting of the Board of Directors)

### Explanation:

- a. In consideration of the capital call for the business expansion of the Company, it is proposed that TWD 281,185,720 of the undistributed earnings accumulated from the previous period be capitalized to issue 28,118,572 new shares for distributable stock dividend with 40 shares distributed on each 1,000 shares held.
- b. Subject to the Authority's approval of the above capital increase by issuing new shares, the ex-dividend date and the relevant matters will be determined by the Board of Directors, who is authorized to do so and the new shares will be distributed to the shareholders as proposed according to the shareholding indicated in the shareholder registry as of the ex-dividend date with a relevant notice issued to each shareholder.
- c. The shareholder may by himself/herself seek to pool within five days from the ex-dividend date the fractional dividend share (if any) received. The stock dividend will be distributed in cash *pro rata* on each fraction of a share held (if any) up to the full TWD dollar. The remaining fractional shares (if any) may be purchased by such particular principal according to the par value as contacted by the Chairman of the Board of Directors authorized to do so.
- d. Subject to approval of the proposed earnings distribution plan by the shareholders' meeting, if the proposed profit distribution is affected by any change in equity, it is proposed that the Board of Directors be authorized to adjust the cash and stock to be distributed to each share based on the number of actual shares outstanding on the record date for distribution. It is also proposed that the Board of Directors be authorized to determine the necessary action. The shareholder will have in the new shares the same rights and obligations as those in the original shares held.
- e. The Company will have TWD 7,310,828,600 in paid-in capital after the above capital increase.
- f. It is proposed that resolution be adopted for the proposed issuance of new shares for capital increase.

### Resolution:

Voting Result - The number of shares with voting rights represented by the shareholders present at the time of voting was 576,532,871 votes.

The number of votes for approval was 563,294,949 (including 39,521,940 exercised via electronic transmission), accounted for 97.70% of total shares with voting rights present.

The number of votes for disapproval was 42,528 (including 42,528 exercised via electronic transmission), accounted for 0.01% of total shares with voting rights present.

The number of votes for abstaining/no vote was 13,195,394 (including 12,836,196 exercised via electronic transmission), accounted for 2.29% of total shares with voting rights present.

The number of Invalid votes was 0, accounted for 0.00% of total shares with voting rights present.

The resolution is adopted by a majority vote of the shareholders who represent two-thirds of the total number of its outstanding shares.

Approved and acknowledged as proposed by the Board of Directors by voting.

(2) Proposed revision of the Rules Governing Shareholders Meetings and the Rules Governing Election of Directors and Supervisors (as adopted by the meeting of the Board of Directors)

Explanation:

- a. In accordance with the January 28, 2015 Taiwan Stock Exchange Corporation circular letter (Document No. 1040001716) promulgating amendments to certain provisions in the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings and Sample Template for XXX Co., Ltd. Procedures for Election of Directors and Supervisors, the Company proposes the following revision to its Rules Governing Shareholders Meetings and Rules Governing Election of Directors and Supervisors according to the revised regulation.
- b. Please see the proposed revisions to the Rules Governing Shareholders Meetings and Rules Governing Election of Directors and Supervisors juxtaposed with the current provision as show in Appendix 6 and Appendix 7.
- c. It is proposed that resolution be adopted for the proposed revision.

Resolution:

Voting Result - The number of shares with voting rights represented by the shareholders present at the time of voting was 576,532,871 votes.

The number of votes for approval was 563,293,877 (including 39,520,868 exercised via electronic transmission), accounted for 97.70% of total shares with voting rights present.

The number of votes for disapproval was 43,600 (including 43,600 exercised via electronic transmission), accounted for 0.01% of total shares with voting rights present.

The number of votes for abstaining/no vote was 13,195,394 (including 12,836,196 exercised via electronic transmission), accounted for 2.29% of total shares with voting rights present.

The number of Invalid votes was 0, accounted for 0.00% of total shares with voting rights present.

The resolution is adopted by a majority vote of the shareholders who represent a majority of the total number of its outstanding shares.

Approved and acknowledged as proposed by the Board of Directors by voting.

(3) Proposed revision of the Procedural Rules for Providing Lending to Other Persons (as adopted by the meeting of the Board of Directors).

Explanation:

- a. In accordance with the February 10, 2015 Taiwan Stock Exchange Corporation circular letter Document No. 1041800527, the Company has amended its Procedural Rules for Providing Lending to Other Persons.
- b. Please see the proposed revisions to the Procedural Rules for Providing Lending to Other Persons juxtaposed with the current provision as show in Appendix 8.
- c. It is proposed that resolution be adopted for the proposed revision.

Resolution:

Voting Result - The number of shares with voting rights represented by the shareholders present at the time of voting was 576,532,871 votes.

The number of votes for approval was 562,919,179(including 39,515,868 exercised via electronic transmission), accounted for 97.64% of total shares with voting rights present.

The number of votes for disapproval was 48,600 (including 48,600 exercised via electronic transmission), accounted for 0.01% of total shares with voting rights present.

The number of votes for abstaining/no vote was 13,565,092 (including 12,836,196 exercised via electronic transmission), accounted for 2.35% of total shares with voting rights present.

The number of Invalid votes was 0, accounted for 0.00% of total shares with voting rights present.

The resolution is adopted by a majority vote of the shareholders who represent a majority of the total number of its outstanding shares.

Approved and acknowledged as proposed by the Board of Directors by voting.

## **E. Election**

(1) The 8th Election of Board of Directors (including independent directors) (as adopted by the meeting of the Board of Directors).

### Explanation:

- a. The office term of the 7th Election of Board of Directors is from 13 June 2012 through 12 June 2015.
- 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 7th Election of Board of Directors (including Independent Directors) is completed prior to the 8<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 23 June 2015 through 22 June 2018.
- 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. Please see Appendix 9 for the name list of the candidates nominated as adopted by the meeting of 7 May 2015 of the Board of Directors.
- e. Shareholders are requested to vote to elect the new Directors.

Result: Elected Board Directors Name list

(1)Directors: Twelve seats

Shareholder No.	Name	Representative	Votes received
4	Uni-President Enterprises Corp.	Kao-Huei Cheng	767,968,656
4	Uni-President Enterprises Corp.	Chih-Hsien Lo	729,141,340
4	Uni-President Enterprises Corp.	Tsung-Ming Su	603,341,282
4	Uni-President Enterprises Corp.	Kun-Shun Tsai	580,505,692
4	Uni-President Enterprises Corp.	Tsing-Pin Wu	573,277,242
4	Uni-President Enterprises Corp.	Yung-Fa Chen	544,541,162
1	National Development Fund, Executive Yuan	Po-Wu Gean	529,707,084
1	National Development Fund, Executive Yuan	Ming-Shi Chang	529,174,955
860	Kao Chyuan Investment Co., Ltd	Shiow-Ling Kao	527,058,066
861	President International Development Corp.	Chiou-Ru Shih	518,200,546
5	Tainan Spinning Co., Ltd.	Chien-Li Yin	516,742,963
2	Taiwan Sugar Corporation	Chin-Jung Yang	511,397,822

(2)Independent Directors : Three seats

Shareholders' # or ID#	Name	Votes received
123	Wei-Cheng Tian	455,056,712
R101000027	Ih-Jen Su	449,664,163
B121000053	Wei-Te Ho	449,381,999

The number of Invalid votes was 223,698

**F. Other matters proposed for discussion and resolution**

- (1) Proposed release of prohibition on Directors (including Independent Directors) and their representatives of the 8th election from participation in competitive business. (as adopted by the meeting of the Board of Directors).

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 or the shareholders meeting may adopt the resolution to account the income the Director has received from the act or activity for the Company's income.

- b. In consideration that the members of the 8th Election of Board of Directors may do any act or activity and concurrently hold another office within the scope of the Company's business, it is proposed that resolution be adopted to release the newly elected 8th 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. Please see for detail the relevant material to be publicly disclosed at this shareholders meeting after the election.

Resolution:

Voting Result - The number of shares with voting rights represented by the shareholders present at the time of voting was 576,533,033 votes.

The number of votes for approval was 539,485,545(including 16,082,234 exercised via electronic transmission), accounted for 93.57% of total shares with voting rights present.

The number of votes for disapproval was 22,414,680(including 22,414,680 exercised via electronic transmission), accounted for 3.89% of total shares with voting rights present.

The number of votes for abstaining/no vote was 14,632,808(including 13,903,750 exercised via electronic transmission), accounted for 2.54% of total shares with voting rights present.

The number of Invalid votes was 0, accounted for 0.00% of total shares with voting rights present.

The resolution is adopted by a majority vote of the shareholders who represent two-thirds of the total number of its outstanding shares. Lifting of the non-compete restriction imposed on the newly elected directors and the representative of the Company. The details are provided in the following table.

Name	Currently act or activity and concurrently hold another office within the scope of the Company's business
Uni-President Enterprises Corp.	ScinoPharm Taiwan Ltd. Director
Uni-President Enterprises Corp. Representative: Kao-Huei Cheng	ScinoPharm Taiwan Ltd. Director
Uni-President Enterprises Corp. Representative: Chih-Hsien Lo	ScinoPharm Taiwan Ltd. Director
Uni-President Enterprises Corp. Representative: Tsung-Ming Su	ScinoPharm Taiwan Ltd. Director President Life Sciences Co., Ltd. Chairman and President , AndroSciences Corp. Chairman , Tanvex Biologics. Inc. Director
Uni-President Enterprises Corp. Representative: Kun-Shun Tsai	ScinoPharm Taiwan Ltd. Director
Uni-President Enterprises Corp. Representative: Tsung-Pin Wu	ScinoPharm Taiwan Ltd. Director
Uni-President Enterprises Corp. Representative: Yung-Fa Chen	ScinoPharm Taiwan Ltd. Director
National Development Fund, Executive Yuan	ScinoPharm Taiwan Ltd. Director Genovate Biotechnology Co., Ltd. Director , Taiwan Biotech Co., Ltd. Director , United Biomedical Inc. Asia Director , TaiGen Biopharmaceuticals Holdings Limited Director ,



Name	Currently act or activity and concurrently hold another office within the scope of the Company's business
	PharmaEssentia Corporation Director , PharmaEngine Inc. Director , TaiAn Technologies Corp. Director , Mycenax Biotech Inc. Director , TaiMed Biologics Inc. Director , EirGenix Inc. Director , Adimmune Corporation Supervisor
National Development Fund, Executive Yuan Representative: Po-Wu Gean	ScinoPharm Taiwan Ltd. Director PharmaEngine, Inc. National Development Fund, Executive Yuan representative
National Development Fund, Executive Yuan Representative: Ming-Shi Chang	ScinoPharm Taiwan Ltd. Director
Kao Chyuan Investment Co., Ltd.	ScinoPharm Taiwan Ltd. Director
Kao Chyuan Investment Co., Ltd. Representative: Shioh-Ling Kao	ScinoPharm Taiwan Ltd. Director President Pharmaceutical Corp. Chairman , President (Shanghai) Health Product Trading Company Ltd. Director
President International Development Corp	ScinoPharm Taiwan Ltd. Director President Life Sciences Co., Ltd. Chairman 、 Director and Supervisor , AndroSciences Corp. Director , Origene Technologies Inc. Director
President International Development Corp Representative: Chiou-Ru Shih	ScinoPharm Taiwan Ltd. Director President Life Sciences Co., Ltd. Director , Origene Technologies Inc. Director , Allianz Pharmascience Ltd. Director
Tainan Spinning Co., Ltd.	ScinoPharm Taiwan Ltd. director
Tainan Spinning Co., Ltd. Representative: Chien-Li Yin	ScinoPharm Taiwan Ltd. Director President Life Sciences Co., Ltd. Supervisor
Taiwan Sugar Corporation	ScinoPharm Taiwan Ltd. Director Taiwan Sugar Corporation , United Biomedical Inc. Asia Director , TaiGen Biopharmaceuticals Holdings Limited Director
Taiwan Sugar Corporation Representative: Chin-Jung Yang	ScinoPharm Taiwan Ltd. Director Taiwan Sugar Corporation President
Wei-Cheng Tian	ScinoPharm Taiwan Ltd. Independent Director. IsoGreen Biotechnology Inc., Representative of Institutional Director , Sino Cell Technologies Inc., Representative of Institutional Director , Panlabs Biologics Inc. Representative of Institutional Director , PharmaEngine Inc. Director
Ih-Jen Su	ScinoPharm Taiwan Ltd. Independent Director. Red Harbor Biotech & Culture Company director
Wei-Te Ho	ScinoPharm Taiwan Ltd. Independent Director.

Approved and acknowledged as proposed by the Board of Directors by voting

## **G. Extempore motions**

Summary of stockholder's comments:

1. Question from Stockholder #45647 Yong Mao Investment :

- (1). Why did the Company's performance decline? What is the company's future revenue and business projected?
- (2). ScinoPharm's revenue decreased by 20% last year. The revenue looks further declining this year. Therefore, I would like to ask the CEO about future business expansions as ScinoPharm has a strong R&D team and a great number of DMFs. I would like to take advantage of this rare opportunity to ask the CEO how the company is planning to improve sales performances.

CEO Chen's answer:

Thanks for the questions. As you may know, our revenue declined last year. Our sales momentum remains challenging this year. There are three main reasons as follows:

The most direct reason was a decline in our Contract Manufacturing ("CMO") business. Of the two CMO products, one showed slight decrease, and the other had almost no sales. Back to 2012 and 2013, we highly expected these two products, and reserved plenty of production capacities for them. However, the drugs were not sold as well as expected after FDA approved, which directly impacted our sales performance. The second reason was that we are currently in transformation, when there may be product line gaps. For example, we originally developed APIs for sales immediately after development. Currently we are developing our own formulations, and therefore we no longer sell our APIs directly after development; instead, we have to manufacture our formulations, register our products, and wait for patents to expire. So, our investment cycles are prolonged. Under these circumstances, you might feel gaps in our product pipeline. In fact, our old products stay competitive. ScinoPharm's two series of anti-cancer drugs, paclitaxel, docetaxel, and irinotecan enjoy relatively high market shares worldwide and are still highly competitive. Another pressure to our profitability came from the price fluctuations in raw material for paclitaxel and docetaxel.

The third reason was that in the past we made some major investments, including our Changshu plant and injectable plant. These investments have not generated revenue yet but bring pressures to our business. You all can see that over the past two years ScinoPharm has received many domestic and international awards, as well as recognition from many clients and the pharmaceutical industry in general. ScinoPharm is still highly competitive. The pharmaceutical industry differs from other industries in that it has longer product life cycles, and cannot depend on a single product. Our transformation period is estimated to take about three years: last year our revenue dropped, this year we maintain conservative outlook, and next year we may have a better chance to improve our business. Thank you!

2. Question from Stockholder #37592 Mr. Chen:

The progress of the injectable plant in Tainan Science Park seems coming to a standstill and affected overall operations. The management team should handle this matter effectively to avoid damaging the interests of stockholders.

CEO Chen's answer:

As our business report mentioned today, the high level schedule and goal for our injectable plant remain unchanged. We would have a fair chance to complete equipment qualification and to commence pilot runs for liquid vials in the third quarter and fourth quarter of this year, respectively. In general, we need to finish pilot runs before conducting stability tests, and then filing ANDAs. Under this procedure, our first ANDA application is expected to be filed in 2017. During these years, we will continue to provide contract manufacturing services for clinical used drugs to other companies. We expect to pass US FDA inspection and receive approval for our products in 2018, without material changes from our planned schedule.

## **H. End of meeting**

## **Appendix 1**

### **2014 Business Report**

Dear Shareholders:

Following transformational changes, 2014 proved to be a challenging year for ScinoPharm. Our team has actively faced up to the challenges brought about by uncontrollable factors such as intense competition in the global pharmaceutical industry, severe cuts in healthcare spending worldwide, and increases in the costs of raw materials. An overview of the last year shows that ScinoPharm's business operations in the areas of APIs for generic drugs and CRAM (Contract Research and Manufacturing) services for new drugs did not perform as expected due to fluctuations in the industry and supplies of raw materials. Sales for a client's weight loss drug fell short in America, causing decreased orders for our exclusively produced API, topiramate; the revenues and profits of our two main oncological products were affected by increases in raw material prices brought on by supply shortages. Additionally, our Changshu plant in China is currently unable to achieve commercial production as a result of awaiting a potential US FDA plant inspection. This delay has caused idle capacity and increases in amortization and depreciation expenses. These factors, combined with pressures from annually decreasing prices for our generic API on the market, all impacted our overall performance in 2014.

#### **Financial Performance**

ScinoPharm's consolidated revenues for 2014 were TWD4.098 billion, a 19% decline compared to our TWD 5.088 billion revenues of the previous year; consolidated net profits after tax were TWD 484 million, a 62% decline compared to the previous year's TWD1.273 billion. Earnings per share (after tax) were TWD 0.69.

At the end of 2014, our paid-in capital amounted to TWD7.03 billion; our shareholders' equity was TWD9.38 billion, making up 82% of total assets, which equaled TWD 11.372 billion. Long-term fund was 1.87 times the amount of property, plant, and equipment, and our current ratio was 2.74, making for a sound financial structure.

#### **Operational Performance**

Over the past two years, ScinoPharm has been actively pursuing its double-A vertical integration strategy (API + ANDA, namely, Active Pharmaceutical Ingredient and Abbreviated New Drug Application). We formed strategic alliances with several pharmaceutical companies in the United States and China to expand our business operations in high-end generic drugs and new drugs in these two markets. These cooperative ventures will provide access to innovative products with higher value-adding. We have integrated our own resources with those of our alliances to expedite our product development cycle, boost our participation in the more lucrative end of the product value chain, and enhance our long-term competitive advantages and expansions for future growth.

We specialize in API with high technical entry barriers. Our main products continue to be market leaders, including our colorectal cancer drug, Irinotecan, which held 60-70 percent of the global market in 2013-2014; ScinoPharm provided 40-50 percent of API used to manufacture worldwide the non-small cell lung cancer and breast cancer drug, Docetaxel; ScinoPharm's ovarian cancer, lung cancer, and breast cancer drug Paclitaxel also had a 20-30 percent market share globally. Last year, we completed development 6 APIs on generic drugs. Also, 7 APIs were launched in the United States, Europe, and Japan, including products for the treatment of breast cancer, acute myeloid leukemia, non-small cell lung

cancer, prostate cancer, and other oncology drugs, as well as products for the treatment of motor neuron disease, malignant hyperthermia, hepatitis B, and osteoporosis. At the end of 2014, ScinoPharm had registered a total of 694 drug master files (DMFs) worldwide, 50 of which were registered in the United States, making ScinoPharm the holder of the most DMFs among the standalone API companies. Additionally, with 24 registered oncology DMFs, ScinoPharm holds the most DMFs, compared with our international standalone API counterparts.

The ScinoPharm Changshu plant in China will, in the future, play an important role in the Chinese supply chain of our American and European clients. As of the end of 2014, the Changshu plant had already obtained a total of 9 drug production permits and is expected to achieve commercial production after passing US FDA's plant inspection scheduled for late 2015 or early 2016. Currently, ScinoPharm has 12 products under review for drug licenses with the Chinese drug regulatory authorities, 10 of which were imported from Taiwan while the other 2 were produced locally. The plant is currently working on 7 CRAM projects, all in Phase II or Phase III of clinical trials, and operations are expected to increase gradually. The market has sustained rapid growth alongside China's economic development and promotion of healthcare reform policies, and ScinoPharm will continue to combine resources from our Taiwan and Mainland China plants to expand our geographic reach.

Regarding the construction progress of ScinoPharm's injectable plant, the first liquid vial production line is expected to commence pilot run in late 2015. In the early stages of this strategy, ScinoPharm will actively seek contract manufacturing opportunities for clinical trial of new clinical drugs development while simultaneously producing registration batches of our self-developed generic drugs. Our first home-made ANDA is expected to be submitted in 2017, and to help trigger US FDA inspection of our injectable plant in 2018; commercial manufacturing of injectable drug products can then commence, raising ScinoPharm's value creation in the anti-cancer drug supply chain to fulfill customers' needs in "one-stop shopping".

ScinoPharm's long-term efforts in pharmaceutical industry have received recognitions from both Taiwanese and international communities. In July of 2014, ScinoPharm received the highest rank (A++) in the 11th Information Disclosure and Transparency Ranking compiled by the Taiwan Stock Exchange Corporation; in October of the same year, ScinoPharm was named "API Supplier of the Year" at the Global Generics & Biosimilars Awards at the CPhI Worldwide Exhibition in Paris, France, and was highly praised in all indicators. ScinoPharm was the only company in the Asian region (excluding India) to receive an award.

Additionally, the professional media has also praised ScinoPharm's performance. In the "Leading Enterprise Survey" published in the October issue of *Commonwealth Magazine*, ScinoPharm was named as the most reputed enterprise for two consecutive years, winning the top spot in the biotechnology pharmaceutical industry. Also, in the Best Executive Team ranking in the Asian Pacific region (excluding Japan), compiled by the global authoritative financial magazine, Institutional Investor, ScinoPharm was selected as one of Asia's Most Honored Companies, with a ranking of #123. Of the 10 Taiwanese businesses that were featured on the list, ScinoPharm was the only pharmaceutical company.

In order to show our commitment to corporate social responsibility, our board of directors in 2014 approved a "Code of Conduct for Corporate Social Responsibility" to ensure that these corporate responsibilities are met in our active pursuit for improved operational performance. In accordance with current international trends, we seek to strike a balance among environment, society, and corporate governance. In October of the same year, we published our first Corporate Social Responsibility Report to document our economic, social, and environmental performance. In the future we will continue to focus on issues of importance to our stakeholders in our efforts to meet or exceed the public's expectations.

## **Future Developments**

ScinoPharm is looking to accelerate our product development cycle and increase our product offerings using our own research and development capabilities, as well as actively collaborating with our global strategic partners to speed the drug production cycle. We plan to expand our CRAM services, undertaking projects with diverse technology and product efficacies for international drug companies. This will reduce current risks and improve capacity utilization, both to contribute to revenues while the Changshu plant in China is awaiting regulatory agency factory inspections. In addition, ScinoPharm will also keep optimizing existing manufacturing processes and management efficiencies to sharpen yield and make more effective use of our resources.

In order to enhance our value in the market place and our long-term competitiveness, ScinoPharm will continue to develop new products and expand our product portfolio; we plan to advance the company's original expertise in generic API's further into the development of new drug delivery technologies and new chemical entities (NECs), thus optimizing the company's market value and competitive advantage as part of our plan to become a comprehensive oncologic drug company that provides economic and efficient treatment for patients worldwide. We believe that our experienced R&D capabilities and innovative managerial strengths, coupled with the concentrated focus by all our colleagues, will allow us to solidify our operating foundations, grasp opportunities in this rapidly growing industry, and steadily expand our operating scale to create greater long-term value for our clients and shareholders.

Wish you all good health and fortune,

A handwritten signature in black ink, reading "Kao-Huei Cheng". The signature is written in a cursive, flowing style with some capitalization and lowercase letters mixed.

Kao-Huei Cheng, Chairman

## **Appendix 2**

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

The Board of Directors has prepared the Company's 2014 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 25, 2015



資誠

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

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

We have audited the accompanying non-consolidated balance sheets of ScinoPharm Taiwan, Ltd. as of December 31, 2014 and 2013, and the related non-consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended. These non-consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these non-consolidated financial statements based on our audits.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the non-consolidated financial statements referred to above present fairly, in all material respects, the financial position of ScinoPharm Taiwan, Ltd. as of December 31, 2014 and 2013, and its financial performance and cash flows for the years then ended in conformity with the "Rules Governing the Preparations of Financial Statements by Securities Issuers".

*PricewaterhouseCoopers, Taiwan*

PricewaterhouseCoopers, Taiwan

Republic of China

March 25, 2015

The accompanying non-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 non-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.  
NON-CONSOLIDATED BALANCE SHEETS  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2014		December 31, 2013	
		AMOUNT	%	AMOUNT	%
Current assets					
Cash and cash equivalents	6(1)	\$ 1,382,159	14	\$ 1,864,352	18
Notes receivable, net		27	-	230	-
Accounts receivable, net	6(2)(7)	522,964	5	970,235	9
Other receivables		15,181	-	18,692	-
Other receivables - related parties	7	11,071	-	26,120	-
Inventories	5(2) and 6(3)	2,247,555	23	2,291,613	21
Prepayments		132,685	1	191,095	2
Other current financial assets - current	8	-	-	15,552	-
Total current assets		4,311,642	43	5,377,889	50
Non-current assets					
Financial assets carried at cost - non-current	6(4)	167,673	2	167,673	2
Investments accounted for under equity method	6(5)	1,538,831	16	1,682,715	16
Property, plant and equipment	5(2), 6(6)(7) and 7	3,736,412	37	3,153,292	30
Intangible assets		7,013	-	7,906	-
Deferred income tax assets	5(2) and 6(22)	198,719	2	149,386	1
Prepayments for equipment		9,186	-	140,414	1
Guarantee deposits paid		1,564	-	2,228	-
Other financial assets - non-current	8	24,734	-	24,667	-
Total non-current assets		5,684,132	57	5,328,281	50
Total assets		\$ 9,995,774	100	\$ 10,706,170	100

(Continued)



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

Liabilities and Equity	Notes	December 31, 2014		December 31, 2013	
		AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>					
Financial liabilities at fair value through profit or loss - current	6(8)	\$ 3,669	-	\$ 1,138	-
Notes payable		1,153	-	1,080	-
Accounts payable		44,268	1	160,379	1
Accounts payable - related parties	7	-	-	53,868	1
Other payables	6(9) and 7	427,203	4	557,967	5
Current income tax liabilities		27,738	-	147,735	1
Advance receipts		37,956	-	74,562	1
<b>Total current liabilities</b>		541,987	5	996,729	9
<b>Non-current liabilities</b>					
Deferred income tax liabilities	6(22)	3,156	-	639	-
Accrued pension liabilities	5(2) and 6(10)	68,704	1	65,548	1
Refundable deposits received		1,656	-	-	-
<b>Total non-current liabilities</b>		73,516	1	66,187	1
<b>Total Liabilities</b>		615,503	6	1,062,916	10
<b>Equity</b>					
<b>Share capital</b>	6(12)(14)				
Share capital - common stock		7,029,643	70	6,759,272	63
<b>Capital reserve</b>	6(11)(13)				
Capital surplus		1,257,277	13	1,247,796	12
<b>Retained earnings</b>	6(12)(14)(22)				
Legal reserve		348,285	4	220,944	2
Special reserve		22,829	-	22,829	-
Undistributed earnings		621,563	6	1,348,058	13
<b>Other equity interest</b>	6(15)				
Other equity interest		100,674	1	44,355	-
<b>Total equity</b>		9,380,271	94	9,643,254	90
<b>Significant contingent liabilities and unrecognized contract commitments</b>	9				
<b>Total liabilities and equity</b>		\$ 9,995,774	100	\$ 10,706,170	100

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

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

Items	Notes	Year ended December 31			
		2014		2013	
		AMOUNT	%	AMOUNT	%
<b>Sales revenue</b>	6(16) and 7	\$ 4,092,478	100	\$ 5,083,603	100
<b>Operating costs</b>	6(3)(10)(20)(21) and 7	( 2,428,110)	( 59)	( 2,513,605)	( 49)
<b>Net operating margin</b>		<u>1,664,368</u>	<u>41</u>	<u>2,569,998</u>	<u>51</u>
<b>Operating expenses</b>	6(10)(20)(21) and 7				
Selling expenses		( 172,955)	( 4)	( 185,894)	( 4)
General and administrative expenses		( 356,189)	( 9)	( 434,038)	( 8)
Research and development expenses		( 297,663)	( 7)	( 340,824)	( 7)
<b>Total operating expenses</b>		<u>( 826,807)</u>	<u>( 20)</u>	<u>( 960,756)</u>	<u>( 19)</u>
<b>Operating profit</b>		<u>837,561</u>	<u>21</u>	<u>1,609,242</u>	<u>32</u>
<b>Non-operating income and expenses</b>					
Other income	6(17) and 7	65,136	2	64,849	1
Other gains and losses	6(7)(8)(18)	8,932	-	( 16,092)	-
Finance costs	6(19)	( 2)	-	( 1)	-
Share of profit/(loss) of subsidiaries, associates and joint ventures accounted for under equity method	6(5)	( 306,279)	( 8)	( 143,252)	( 3)
<b>Total non-operating income and     expenses</b>		<u>( 232,213)</u>	<u>( 6)</u>	<u>( 94,496)</u>	<u>( 2)</u>
<b>Profit before income tax</b>		<u>605,348</u>	<u>15</u>	<u>1,514,746</u>	<u>30</u>
Income tax expense	6(22)	( 121,205)	( 3)	( 241,342)	( 5)
<b>Profit for the year</b>		<u>\$ 484,143</u>	<u>12</u>	<u>\$ 1,273,404</u>	<u>25</u>
<b>Other comprehensive income</b>					
Financial statements translation differences of foreign operations	6(15)	\$ 56,319	1	\$ 79,395	2
Actuarial (loss) gain on defined benefit plan	6(10)	( 2,184)	-	498	-
Income tax relating to the components of other comprehensive income	6(22)	<u>371</u>	<u>-</u>	<u>( 85)</u>	<u>-</u>
<b>Other comprehensive income for the year</b>		<u>\$ 54,506</u>	<u>1</u>	<u>\$ 79,808</u>	<u>2</u>
<b>Total comprehensive income for the year</b>		<u>\$ 538,649</u>	<u>13</u>	<u>\$ 1,353,212</u>	<u>27</u>
<b>Basic earnings per share (in dollars)</b>					
Net income	6(23)	<u>\$</u>	<u>0.69</u>	<u>\$</u>	<u>1.81</u>
<b>Diluted earnings per share (in dollars)</b>					
Net income	6(23)	<u>\$</u>	<u>0.69</u>	<u>\$</u>	<u>1.81</u>

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

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

		Retained earnings					Financial statements translation differences of foreign operations	
	Notes	Share capital - common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated retained earnings		Total
<u>For the year ended December 31, 2013</u>								
Balance at January 1, 2013		\$ 6,499,300	\$ 1,246,977	\$ 103,897	\$ 22,829	\$ 1,231,176	(\$ 35,040 )	\$ 9,069,139
Appropriations of 2012 net income (Note):								
Legal reserve		-	-	117,047	-	( 117,047 )	-	-
Cash dividends	6(14)	-	-	-	-	( 779,916 )	-	( 779,916 )
Stock dividends	6(12)(14)	259,972	-	-	-	( 259,972 )	-	-
Employee stock option compensation cost	6(13)	-	819	-	-	-	-	819
Net income for the year ended December 31, 2013		-	-	-	-	1,273,404	-	1,273,404
Other comprehensive income for the year ended December 31, 2013	6(15)	-	-	-	-	413	79,395	79,808
Difference between the acquisition or disposal price and carrying amount of subsidiaries:								
Acquisition of subsidiaries		-	188	-	-	-	-	188
Disposal of subsidiaries		-	( 188 )	-	-	-	-	( 188 )
Balance at December 31, 2013		<u>\$ 6,759,272</u>	<u>\$ 1,247,796</u>	<u>\$ 220,944</u>	<u>\$ 22,829</u>	<u>\$ 1,348,058</u>	<u>\$ 44,355</u>	<u>\$ 9,643,254</u>
<u>For the year ended December 31, 2014</u>								
Balance at January 1, 2014		\$ 6,759,272	\$ 1,247,796	\$ 220,944	\$ 22,829	\$ 1,348,058	\$ 44,355	\$ 9,643,254
Appropriations of 2013 net income (Note):								
Legal reserve		-	-	127,341	-	( 127,341 )	-	-
Cash dividends	6(14)	-	-	-	-	( 811,113 )	-	( 811,113 )
Stock dividends	6(12)(14)	270,371	-	-	-	( 270,371 )	-	-
Employee stock option compensation cost	6(13)	-	9,481	-	-	-	-	9,481
Net income for the year ended December 31, 2014		-	-	-	-	484,143	-	484,143
Other comprehensive income for the year ended December 31, 2014	6(15)	-	-	-	-	( 1,813 )	56,319	54,506
Balance at December 31, 2014		<u>\$ 7,029,643</u>	<u>\$ 1,257,277</u>	<u>\$ 348,285</u>	<u>\$ 22,829</u>	<u>\$ 621,563</u>	<u>\$ 100,674</u>	<u>\$ 9,380,271</u>

Note: The employees' bonuses were \$2,107 and \$2,293 and the directors' remuneration were \$21,068 and \$22,929 in 2012 and 2013, respectively, which had been deducted from net income for the year.

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

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

	Notes	For the years ended December 31,	
		2014	2013
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax for the year		\$ 605,348	\$ 1,514,746
Adjustments to reconcile net income to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
Loss on valuation of financial assets and liabilities		2,531	1,611
Provision for doubtful accounts	6(2)	66	5
Loss on inventory market price decline	6(3)	53,231	8,167
Provision for obsolescence of supplies		4,113	5,899
Share of loss of associates and joint ventures accounted for under equity method	6(5)	306,279	143,252
Gain on disposal of long-term investments		-	( 2,331 )
Depreciation	6(6)(20)	385,861	374,874
Loss on disposal of property, plant and equipment	6(18)	1,392	3,156
Gain on reversal of impairment loss	6(6)(7)(18)	( 140 )	( 3,185 )
Amortization	6(20)	3,715	1,832
Employee stock option compensation costs	6(11)(13)	8,842	768
Interest income	6(17)	( 13,269 )	( 21,140 )
Interest expense	6(19)	2	1
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Notes receivable		203	( 230 )
Accounts receivable		447,205	( 128,906 )
Other receivables		3,388	( 15,222 )
Other receivables-related parties		15,049	( 17,080 )
Inventories		( 9,173 )	( 566,247 )
Prepayment		54,297	7,768
Net changes in liabilities relating to operating activities			
Notes payable		73	35
Accounts payable		( 116,111 )	35,159
Accounts payable-related parties		( 53,868 )	35,851
Other payables		( 198,725 )	78,175
Advance receipts		( 36,606 )	72,379
Accrued pension liabilities		972	584
Cash generated from operations		1,464,675	1,529,921
Interest received		13,392	21,140
Interest paid		( 2 )	( 1 )
Income tax paid		( 287,647 )	( 301,984 )
Net cash provided by operating activities		1,190,418	1,249,076

(Continued)

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

	Notes	For the years ended December 31,	
		2014	2013
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease (increase) in pledged deposits		\$ 15,485	(\$ 850 )
Acquisition of investments accounted for under the equity method - subsidiaries		( 105,437 )	( 399,205 )
Acquisition of investments accounted for under the equity method - non-subsidiaries		-	( 107,388 )
Proceeds from liquidation of investments accounted for under equity method - subsidiaries		-	2,377
Acquisition of property, plant and equipment	6(24)	( 630,241 )	( 448,070 )
Proceeds from disposal of property, plant and equipment		730	308
Acquisition of intangible assets		( 2,822 )	( 8,200 )
Increase in prepayment for equipment		( 141,533 )	( 229,044 )
Decrease in guarantee deposits paid		664	491
Net cash used in investing activities		( 863,154 )	( 1,189,581 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in refundable deposits received		1,656	-
Payment of cash dividends	6(14)	( 811,113 )	( 779,916 )
Net cash used in financing activities		( 809,457 )	( 779,916 )
Decrease in cash and cash equivalents		( 482,193 )	( 720,421 )
Cash and cash equivalents at beginning of year	6(1)	1,864,352	2,584,773
Cash and cash equivalents at end of year	6(1)	\$ 1,382,159	\$ 1,864,352

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



REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

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

We have audited the accompanying consolidated balance sheets of ScinoPharm Taiwan, Ltd. and its subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of ScinoPharm Taiwan, Ltd. and its subsidiaries as of December 31, 2014 and 2013, and their financial performance and cash flows for the years then ended, in conformity with the "Rules Governing the Preparations of Financial Statements by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.



資誠

We have also audited the parent company only financial statements of ScinoPharm Taiwan, Ltd. as of and for the years ended December 31, 2014 and 2013, and have expressed an unqualified opinion on those financial statements.

*PricewaterhouseCoopers, Taiwan*

PricewaterhouseCoopers, Taiwan

Republic of China

March 25, 2015

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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**  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2014		December 31, 2013	
		AMOUNT	%	AMOUNT	%
Current assets					
Cash and cash equivalents	6(1)	\$ 1,927,603	17	\$ 2,289,428	20
Notes receivable, net		27	-	230	-
Accounts receivable, net	6(2) and 7	522,990	5	970,641	8
Other receivables		199,174	2	161,496	1
Inventory	5(2) and 6(3)	2,449,296	21	2,512,318	22
Prepayments		150,465	1	193,763	2
Other financial assets - current	8	-	-	15,552	-
Total current assets		5,249,555	46	6,143,428	53
Non-current assets					
Financial assets measured at cost - non-current	6(4)	167,673	1	167,673	1
Investments accounted for under equity method	6(5)	79,923	1	90,455	1
Property, plant and equipment	5(2), 6(6)(8) and 7	5,065,025	45	4,213,982	37
Intangible assets		23,554	-	28,709	-
Deferred income tax assets	5(2) and 6(24)	364,381	3	305,089	3
Prepayments for equipment		285,167	3	399,306	4
Other financial assets - non-current	8	24,734	-	24,667	-
Long-term prepaid rent	6(7)	94,189	1	92,994	1
Other non-current assets		17,619	-	17,925	-
Total non-current assets		6,122,265	54	5,340,800	47
Total assets		\$ 11,371,820	100	\$ 11,484,228	100

(Continued)



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

Liabilities and Equity	Notes	December 31, 2014		December 31, 2013	
		AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>					
Short-term borrowings	6(9)	\$ 1,277,476	11	\$ 689,785	6
Financial liabilities at fair value through profit or loss - current	6(10)	3,669	-	1,138	-
Notes payable		1,153	-	1,080	
Accounts payable		53,813	1	264,437	2
Other payables	6(11)	516,228	5	594,800	5
Current income tax liabilities	6(24)	27,738	-	147,735	1
Advance receipts		37,956	-	75,812	1
<b>Total current liabilities</b>		<u>1,918,033</u>	<u>17</u>	<u>1,774,787</u>	<u>15</u>
<b>Non-current liabilities</b>					
Deferred income tax liabilities	6(24)	3,156	-	639	-
Accrued pension liabilities	5(2) and 6(12)	68,704	1	65,548	1
Guarantee deposits received		<u>1,656</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total non-current liabilities</b>		<u>73,516</u>	<u>1</u>	<u>66,187</u>	<u>1</u>
<b>Total liabilities</b>		<u>1,991,549</u>	<u>18</u>	<u>1,840,974</u>	<u>16</u>
<b>Equity attributable to owners of the parent</b>					
<b>Share capital</b>					
Share capital - common stock	6(14)(16)	7,029,643	62	6,759,272	59
<b>Capital reserve</b>					
Capital surplus	6(13)(15)(26)	1,257,277	11	1,247,796	11
<b>Retained earnings</b>	6(14)(16)(24)				
Legal reserve		348,285	3	220,944	2
Special reserve		22,829	-	22,829	-
Undistributed earnings		621,563	5	1,348,058	12
<b>Other equity interest</b>					
Other equity interest	6(17)	<u>100,674</u>	<u>1</u>	<u>44,355</u>	<u>-</u>
<b>Total equity</b>		<u>9,380,271</u>	<u>82</u>	<u>9,643,254</u>	<u>84</u>
<b>Significant contingent liabilities and unrecognized contract commitments</b>	9				
<b>Total liabilities and equity</b>		\$ 11,371,820	100	\$ 11,484,228	100

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

**SCINOPHARM TAIWAN, LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Year ended December 31			
		2014		2013 (adjusted)	
		AMOUNT	%	AMOUNT	%
<b>Sales revenue</b>	6(18) and 7	\$ 4,097,844	100	\$ 5,088,245	100
<b>Operating costs</b>	6(3)(12)(22)(23)	( 2,497,278)	( 61)	( 2,545,712)	( 50)
<b>Net operating margin</b>		<u>1,600,566</u>	<u>39</u>	<u>2,542,533</u>	<u>50</u>
<b>Operating expenses</b>	6(7)(12)(22)(23) and 7				
Selling expenses		( 177,695)	( 4)	( 188,443)	( 4)
General and administrative expenses		( 447,541)	( 11)	( 538,715)	( 10)
Research and development expenses		( 415,888)	( 10)	( 417,875)	( 8)
<b>Total operating expenses</b>		<u>( 1,041,124)</u>	<u>( 25)</u>	<u>( 1,145,033)</u>	<u>( 22)</u>
<b>Operating profit</b>		<u>559,442</u>	<u>14</u>	<u>1,397,500</u>	<u>28</u>
<b>Non-operating income and expenses</b>					
Other income	6(19)	55,872	1	51,909	1
Other gains and losses	6(8)(10)(20)	6,532	-	16,189	-
Finance costs	6(6)(21)	( 4,139)	-	( 7,916)	-
Share of profit/(loss) of associates and joint ventures accounted for under equity method	6(5)	( 15,498)	-	( 16,791)	( 1)
<b>Total non-operating income and expenses</b>		<u>42,767</u>	<u>1</u>	<u>11,013</u>	<u>-</u>
<b>Profit before income tax</b>		<u>602,209</u>	<u>15</u>	<u>1,408,513</u>	<u>28</u>
Income tax expense	6(24)	( 118,066)	( 3)	( 135,109)	( 3)
<b>Profit for the year</b>		<u>\$ 484,143</u>	<u>12</u>	<u>\$ 1,273,404</u>	<u>25</u>
<b>Other comprehensive income</b>					
Actuarial (loss) gain on defined benefit plan	6(12)	( \$ 2,184)	-	\$ 498	-
Financial statements translation differences of foreign operations	6(17)	56,319	1	79,395	2
Income tax relating to the components of other comprehensive income	6(24)	<u>371</u>	<u>-</u>	<u>( 85)</u>	<u>-</u>
<b>Total other comprehensive income for the year</b>		<u>\$ 54,506</u>	<u>1</u>	<u>\$ 79,808</u>	<u>2</u>
<b>Total comprehensive income for the year</b>		<u>\$ 538,649</u>	<u>13</u>	<u>\$ 1,353,212</u>	<u>27</u>
<b>Profit attributable to:</b>					
Owners of the parent		<u>\$ 484,143</u>	<u>12</u>	<u>\$ 1,273,404</u>	<u>25</u>
<b>Comprehensive income attributable to:</b>					
Owners of the parent		<u>\$ 538,649</u>	<u>13</u>	<u>\$ 1,353,212</u>	<u>27</u>
<b>Basic earnings per share</b>	6(25)				
Net income		<u>\$ 0.69</u>		<u>\$ 1.81</u>	
<b>Diluted earnings per share</b>	6(25)				
Net income		<u>\$ 0.69</u>		<u>\$ 1.81</u>	

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

SCINOPHARM TAIWAN, LTD.  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Equity attributable to owners of the parent								
				Retained Earnings			Financial statements translation differences of foreign operations		Non-controlling interest	Total equity
	Notes	Share capital - common stock	Capital reserve	Legal reserve	Special reserve	Undistributed earnings		Total		
<u>For the year ended December 31, 2013</u>										
Balance at January 1, 2013		\$ 6,499,300	\$ 1,246,977	\$ 103,897	\$ 22,829	\$ 1,231,176	(\$ 35,040 )	\$ 9,069,139	\$ 1,603	\$ 9,070,742
Distribution of 2012 net income:										
Legal reserve		-	-	117,047	-	( 117,047 )	-	-	-	-
Cash dividends	6(16)	-	-	-	-	( 779,916 )	-	( 779,916 )	-	( 779,916 )
Stock dividends	6(14)(16)	259,972	-	-	-	( 259,972 )	-	-	-	-
Employee stock option compensation cost	6(13)(15)	-	819	-	-	-	-	819	-	819
Net income for 2013		-	-	-	-	1,273,404	-	1,273,404	-	1,273,404
Other comprehensive income for 2013	6(17)	-	-	-	-	413	79,395	79,808	-	79,808
Difference between the acquisition or disposal price and carrying amount of subsidiaries										
Acquisition of subsidiaries		-	188	-	-	-	-	188	-	188
Disposal of subsidiaries		-	( 188 )	-	-	-	-	( 188 )	-	( 188 )
Non-controlling interest		-	-	-	-	-	-	-	( 1,603 )	( 1,603 )
Balance at December 31, 2013		<u>\$ 6,759,272</u>	<u>\$ 1,247,796</u>	<u>\$ 220,944</u>	<u>\$ 22,829</u>	<u>\$ 1,348,058</u>	<u>\$ 44,355</u>	<u>\$ 9,643,254</u>	<u>\$ -</u>	<u>\$ 9,643,254</u>
<u>For the year ended December 31, 2014</u>										
Balance at January 1, 2014		\$ 6,759,272	\$ 1,247,796	\$ 220,944	\$ 22,829	\$ 1,348,058	\$ 44,355	\$ 9,643,254	\$ -	\$ 9,643,254
Distribution of 2013 net income:										
Legal reserve		-	-	127,341	-	( 127,341 )	-	-	-	-
Cash dividends	6(16)	-	-	-	-	( 811,113 )	-	( 811,113 )	-	( 811,113 )
Stock dividends	6(14)(16)	270,371	-	-	-	( 270,371 )	-	-	-	-
Employee stock option compensation cost	6(13)(15)	-	9,481	-	-	-	-	9,481	-	9,481
Net income for 2014		-	-	-	-	484,143	-	484,143	-	484,143
Other comprehensive income for 2014	6(17)	-	-	-	-	( 1,813 )	56,319	54,506	-	54,506
Balance at December 31, 2014		<u>\$ 7,029,643</u>	<u>\$ 1,257,277</u>	<u>\$ 348,285</u>	<u>\$ 22,829</u>	<u>\$ 621,563</u>	<u>\$ 100,674</u>	<u>\$ 9,380,271</u>	<u>\$ -</u>	<u>\$ 9,380,271</u>

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

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

	Notes	For the years ended December 31,	
		2014	2013
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Consolidated profit before tax for the year		\$ 602,209	\$ 1,408,513
Adjustments to reconcile net income to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
Loss on valuation of financial assets and liabilities		2,531	1,611
Provision for doubtful accounts	6(2)	66	5
Loss on inventory market price decline	6(3)	71,954	4,678
Provision for obsolescence of supplies		6,887	5,899
Share of loss of associates and joint ventures accounted for under the equity method	6(5)	15,498	16,791
Depreciation	6(6)(22)	458,019	437,569
Loss (gain) on disposal of property, plant and equipment	6(20)	4,077	( 3,338 )
Gain on reversal of impairment loss	6(6)(8)(20)	( 140 )	( 3,185 )
Amortization	6(22)	13,082	9,949
Employee stock option cost	6(13)(15)	9,481	819
Interest income	6(19)	( 32,308 )	( 37,646 )
Interest expense	6(21)	4,139	7,916
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Notes receivable		203	( 230 )
Accounts receivable		447,585	( 129,312 )
Other receivables		( 37,801 )	( 65,196 )
Inventories		( 740 )	( 647,254 )
Prepayments		36,411	14,599
Net changes in liabilities relating to operating activities			
Notes payable		73	35
Accounts payable		( 210,624 )	41,363
Other payables		( 206,068 )	81,974
Advance receipts		( 37,856 )	73,629
Accrued pension liabilities		972	86
Cash generated from operations		1,147,650	1,219,275
Interest received		32,431	37,646
Interest paid		( 4,139 )	( 7,916 )
Income tax paid		( 287,647 )	( 309,532 )
Net cash provided by operating activities		888,295	939,473

(Continued)

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

	Notes	For the years ended December 31,	
		2014	2013
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Decrease (increase) in pledged deposits		\$ 15,485	( \$ 850 )
Acquisition of investments accounted for under equity method		-	( 107,388 )
Cash paid for acquisition of property, plant and equipment	6(27)	( 829,051 )	( 738,918 )
Interest paid for acquisition of property, plant and equipment	6(6)(21)(27)	( 13,191 )	-
Proceeds from disposal of property, plant and equipment		1,426	6,984
Cash paid for acquisition of intangible assets		( 5,358 )	( 18,215 )
Increase in prepayment for equipment		( 176,131 )	( 487,112 )
Decrease (increase) in other non-current assets - guarantee deposits paid		<u>306</u>	( <u>988</u> )
Net cash used in investing activities		( <u>1,006,514</u> )	( <u>1,346,487</u> )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term borrowings		587,691	426,109
Increase in guarantee deposits received		1,656	-
Payment of cash dividends	6(16)	( 811,113 )	( 779,916 )
Decrease in non-controlling interests		<u>-</u>	( <u>1,603</u> )
Net cash used in financing activities		( <u>221,766</u> )	( <u>355,410</u> )
Effect of foreign exchange rate changes on cash and cash equivalents		( <u>21,840</u> )	<u>16,840</u>
Decrease in cash and cash equivalents		( 361,825 )	( 745,584 )
Cash and cash equivalents at beginning of year	6(1)	<u>2,289,428</u>	<u>3,035,012</u>
Cash and cash equivalents at end of year	6(1)	\$ 1,927,603	\$ 2,289,428

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

## Appendix 5

### Proposed Revision of the Code of Ethics and Conducts

Current Provision	Revision Proposed	Remark
<p><b>Article 3 (Conflict of interests)</b> The director, supervisor and managerial officer of the Company shall carry out their functions in an objective and efficient manner and must not gain any undue interests for himself/herself, his/her spouse, parent, child or any relative of kinship within the <u>third</u> degrees by virtue of his/her functions and duties in the Company so to prevent conflict or threat of conflict of personal interests against the overall interests of the Company.</p> <p>The director, supervisor or managerial officer concerned shall in his/her initiative explain to the Company whether or not there exists threat of conflict of interests arising from the lending, provision of guaranty, transaction of important assets, sale and purchase deal (if any) by and between the Company and the business entity to which the individual provided in the preceding paragraph is affiliated.</p>	<p><b>Article 3 (Conflict of interests)</b> The director, supervisor and managerial officer of the Company shall carry out their functions in an objective and efficient manner and must not gain any undue interests for himself/herself, his/her spouse, parent, child or any relative of kinship within the <u>second</u> degrees by virtue of his/her functions and duties in the Company so to prevent conflict or threat of conflict of personal interests against the overall interests of the Company.</p> <p>The director, supervisor or managerial officer concerned shall in his/her initiative explain to the Company whether or not there exists threat of conflict of interests arising from the lending, provision of guaranty, transaction of important assets, sale and purchase deal (if any) by and between the Company and the business entity to which the individual provided in the preceding paragraph is affiliated.</p>	<p>The revision is proposed by reference to paragraph three, Article 26-3 of the Securities &amp; Exchange Act, subparagraph 3 of paragraph one, Article 17 of the Supplementary Provisions to the Taiwan Stock Exchange Corporation Rules for Review of Securities Listings with respect to the test of integrity of the impartiality of the supervisor and the director of the company.</p>
<p><b>Article 9 (Whistle-blowing encouraged)</b> The Company shall internally promote ethical compliance and encourage employees to report suspected or uncovered violation of any law or regulation or company by-laws or this Code to the Board of Directors, the supervisor, managerial officer, internal auditor or any other appropriate personnel and provide the Company with reasonable information for the Company to appropriately dispose of the matter. The Company shall to the best of its efforts protect the information provider from possible retaliation.</p>	<p><b>Article 9 (Whistle-blowing encouraged)</b> The Company shall internally promote ethical compliance and encourage employees to report suspected or uncovered violation of any law or regulation or company by-laws or this Code to the Board of Directors, the supervisor, managerial officer, internal auditor or any other appropriate personnel and provide the Company with reasonable information for the Company to appropriately dispose of the matter. <u>For the purpose of encouraging employees to report irregularities, the Company shall establish a</u></p>	<p>The revision is proposed in line with Article 23 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies which requires that TWSE/GTSM listed companies shall adopt and scrupulously operate a workable whistle-blowing system.</p>

Current Provision	Revision Proposed	Remark
	<u>workable whistle-blowing system</u> and inform the employees that the Company <u>will to</u> the best of its efforts protect the information provider from possible retaliation.	
<p><b>Article 10 (Discipline and redress)</b> In the event of a breach of this Code by the director, supervisor or managerial officer, the Company shall act in accordance with the relevant laws and regulations and promptly disclose on the M.O.P.S. <u>the name and title</u> of position of the offender, the date of occurrence and the event of the breach, the provision of this Code concerned and the dealing and disposition of the event. <u>Those who are imposed discipline on account of the violation of this Code alleged against them may seek an appeal in accordance with the relevant rules.</u></p>	<p><b>Article 10 (Discipline and redress)</b> In the event of a breach of this Code by the director, supervisor or managerial officer, the Company shall act in accordance with the relevant laws and regulations and promptly disclose on the M.O.P.S. the date of occurrence and the event of the breach, the provision of this Code concerned and the dealing and disposition of the event. <u>The Company shall also establish the relevant appeal system for the offenders of this Code seeking redress</u></p>	<p>The revision is proposed in line with the coming into force of the Personal Information Protection Act. In consideration of the integrity of this Code established by the Company and the protection of the rights and interests of the individuals held in violation of this Code, it is necessary for the Company to establish the appeal system to accord those individuals held in violation of this Code the opportunity to their defense and redress.</p>
<p><b>Article 11 (Exception)</b> For the director, supervisor or managerial officer of the Company to be exempted from the operability of this Code (where necessary), a relevant resolution must be adopted by the meeting of the Board of Directors and <u>the name and title of position of the individual granted the exemption</u>, the date of the resolution, the duration of and the reasons for granting the exemption and the provision(s) of this Code concerned must be promptly disclosed on the M.O.P.S. for the</p>	<p><b>Article 11 (Exception)</b> For the director, supervisor or managerial officer of the Company to be exempted from the operability of this Code (where necessary), a relevant resolution must be adopted by the meeting of the Board of Directors, the date of which resolution and <u>the dissent or qualified opinion expressed by the independent director (if any)</u>, the duration of and the reasons for granting the exemption and the provision(s) of this Code concerned must be promptly disclosed on the</p>	<p>The revision is proposed in line with the coming into force of the Personal Information Protection Act and by reference to Article 14-3 of the Securities &amp; Exchange Act as well as in consideration of meeting the requirement that all TWSE/GTSM Listed Companies must</p>

Current Provision	Revision Proposed	Remark
shareholders to evaluate the acceptability of the resolution adopted by the meeting of the Board of Directors to prevent unauthorized or questionable exemptions and to secure good control of grants of exemptions with a view to the protection of the Company.	M.O.P.S. for the shareholders to evaluate the acceptability of the resolution adopted by the meeting of the Board of Directors to prevent unauthorized or questionable exemptions and to secure good control of grants of exemptions with a view to the protection of the Company.	complete the establishment of independent directors by 2017.
<b>Article 12 (Disclosure)</b> This Code and all subsequent revisions hereof as duly authorized shall be publicly disclosed in the annual report, prospectus and the Market Observation Post System.	<b>Article 12 (Disclosure)</b> This Code and all subsequent revisions hereof as duly authorized shall be publicly disclosed <u>online on the Company's website</u> , in the annual report, prospectus and the Market Observation Post System.	The revision is proposed by reference to the NYSE List Company Manual 303A.10 (which requires that listed companies disclose on their company website their established code of ethics and conducts) and Article 3-3 of the Taiwan Stock Exchange Corporation Rules Governing Information Filing by Companies with TWSE Listed Securities and Offshore Fund Institutions with TWSE Listed Offshore Exchange-Traded Funds (which requires that a TWSE listed company must maintain a company website).



## Appendix 6

### Proposed Revision of the Rules Governing Shareholders Meetings

Current Provision	Revision Proposed	Remark
<p><b>Article 5</b> Except as otherwise provided by laws or regulations, the meeting of the shareholders of the Company shall be convened by the Board of Directors. <u>The notice of a general shareholders meeting shall be delivered to the shareholders each with the proposed agenda twenty (20) days prior to the scheduled meeting date. The notice of an extraordinary shareholders meeting shall be delivered to the shareholders each with a copy of the agenda ten (10) days prior to the scheduled meeting date.</u></p> <p><u>Subject to the public offering of the shares of the Company, the notice of a general shareholders meeting shall be delivered to the shareholders each thirty (30) days prior to the scheduled meeting date, which notice may be delivered to the shareholder who holds less than 1,000 registered shares of the Company by public notice posted online through the Market Observation Post System. Subject to the public offering of the shares of the Company, the notice of an extraordinary shareholders meeting shall be delivered to the shareholders each fifteen (15) days prior to the scheduled meeting date, which notice may be delivered to the shareholder who holds less than 1,000 registered shares of the Company by public notice posted online through the Market Observation Post System.</u></p> <p>The (personal) notice and the public notice of the shareholders meeting both shall manifestly indicate the cause of the meeting and may, subject to the prior consent of the shareholder concerned, be delivered to the shareholder electronically. Proposed election, removal of a director or supervisor, proposed revision of the</p>	<p><b>Article 5</b> Except as otherwise provided by laws or regulations, the meeting of the shareholders of the Company shall be convened by the Board of Directors. <u>The Company shall produce the electronic files of the notice of shareholders meeting, the proxy form, and the matters proposed with explanation given for ratification, discussion, proposed election or dismissal of directors by the meeting and have the files uploaded to the M.O.P.S. thirty (30) days ahead of the scheduled meeting date for a general shareholders meeting and fifteen (15) days ahead for an extraordinary shareholders meeting. The Company shall produce and upload to the M.O.P.S. the electronic files of the meeting agenda and relevant supplemental materials twenty-one (21) days ahead of the scheduled meeting date for a general shareholders meeting and fifteen (15) days ahead for an extraordinary shareholders meeting. The Company shall produce and display paper copies of the meeting agenda with relevant supplemental materials at the premises of the Company as well as the stock affairs agency entrusted by the Company fifteen (15) days prior to the meeting date ready for the shareholders to collect/read at any time, which shall also be distributed at the meeting site.</u></p> <p>The (personal) notice and the public notice of the shareholders meeting both shall manifestly indicate the cause of the meeting and may, subject to the prior consent of the shareholder concerned, be delivered to the shareholder electronically. Proposed election, removal of a director or supervisor, proposed revision of the</p>	<p>1. The revision and re-paragraphing of paragraphs two and three is proposed by reference to paragraph two, Article 3 of the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings and paragraph one, Article 6 of the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.</p> <p>2. The revision of paragraph four is proposed in accordance with the provision of Article 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers.</p>

Current Provision	Revision Proposed	Remark
<p>Articles of Incorporation, proposed dissolution, merger, division of the Company or any of the matters provided in paragraph one of Article 185 of the Company Act, Article 26-1 or Article 43-6 of the Securities and Exchange Act (if any) must be listed in the proposed agenda and cannot be proposed by way of an extempore motion at the meeting. ..... (Omitted.)</p>	<p>Articles of Incorporation, proposed dissolution, merger, division of the Company or any of the matters provided in paragraph one of Article 185 of the Company Act, Article 26-1 or Article 43-6 of the Securities and Exchange Act <u>and/or Article 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers</u> (if any) must be listed in the proposed agenda and cannot be proposed by way of an extempore motion at the meeting. ..... (Omitted.)</p>	
<p><b>Article 8</b> 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 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. A proxy solicitor shall present his/her identification document for verification. ..... (Omitted.)</p>	<p><b>Article 8</b> 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. <u>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.</u> 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. <u>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.</u> A proxy solicitor shall present his/her identification document for verification. ..... (Omitted.)</p>	<p>The revision of paragraphs two and three is proposed by reference to paragraph two, Article 6 of the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings and paragraph one, Article 6 of the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.</p>

Current Provision	Revision Proposed	Remark
<p><b>Article 9</b> 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.</p> <p>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 must be <u>attended</u> by the majority of the directors.</p> <p>..... (Omitted.)</p>	<p><b>Article 9</b> 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.</p> <p>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 <u>should be presided by the Chairman of the Board of Directors and attended by the majority of the directors and one or more supervisors, and one or more members for each of the function-oriented committees established; and the attendance to the meeting shall be recorded in the minutes of the meeting.</u></p> <p>..... (Omitted.)</p>	<p>The revision is proposed by reference to Section E.2.3 of the UK Corporate Governance Code (which provides that the chairman should arrange for the Audit Committee, Compensation and Nomination Committees to be available to answer questions at the shareholders meeting), paragraphs 6 and 7 of the Corporate Governance Evaluation Indicators, and paragraph two of Article 6 of the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.</p>
<p><b>Article 14</b> The shareholder will have one vote on each share. Notwithstanding, the holder will have no voting right on any of the following shares held:</p> <p><u>1. Shares of the Company duly held by the Company;</u></p> <p><u>2. Shares of the Company held by a subordinate company, 50% or more of whose voting shares is held or 50% or more of whose total capital is contributed by the Company;</u></p>	<p><b>Article 14</b> The shareholder will have one vote on each share held. Notwithstanding, the holder will have no voting right on <u>the shares described in paragraph two of Article 179 of the Company Act.</u></p>	<p>The original provision is the provision of paragraph two, Article 179 of the Company Act. The revision is therefore proposed by reference to the Paragraph one, Article 13 of the</p>

Current Provision	Revision Proposed	Remark
<p><u>3. The shares of a holding company and its subordinate company(ies) that are held by another company, where the total number of the shares or total shares equity of that company held by the holding company and its subordinate company(ies) directly or indirectly represents more than one half of the total number of voting shares or the total share equity of such a company.</u></p>		<p>Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings.</p>
<p><b>Article 16</b> The voting right of the shareholder <u>may be exercised in writing or electronically</u>, in which case, the method of exercising the voting right shall be manifestly indicated in the notice of the shareholders meeting. The shareholder who elects to exercises his/her voting right in writing or electronically will be deemed to have attended the meeting in person, provided that he/she will be deemed to waive his/her voting right with respect to the revision proposed on an issue listed in the agenda or new issues proposed by way of an extempore motion at the meeting. ..... (Omitted.)</p>	<p><b>Article 16</b> The voting right of the shareholder <u>shall be exercised electronically and may be exercised in writing and</u> the method of exercising the voting right shall be manifestly indicated in the notice of the shareholders meeting. The shareholder who elects to exercises his/her voting right in writing or electronically will be deemed to have attended the meeting in person, provided that he/she will be deemed to waive his/her voting right with respect to the revision proposed on an issue listed in the agenda or new issues proposed by way of an extempore motion at the meeting; <u>the Company shall accordingly avoid initiating any proposal to change the agenda or any extempore motions.</u> ..... (Omitted.)</p>	<p>The revision is proposed in line with the adoption of electronic voting and voting as the only method to adopt a resolution by reference to paragraph two, Article 13 of the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings.</p>
<p><b>Article 17</b> 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. <u>On each issue submitted for resolution by the meeting, the chairperson or his/her designated personnel shall</u></p>	<p><b>Article 17</b> 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 <u>and the number of approval votes, disapproval votes and waivers each shall be published on the M.O.P.S. on the day</u></p>	<p>The revision is proposed in line with the adoption of electronic voting and voting as the only method to adopt a resolution by reference to paragraphs five through eight, Article 13 of the Sample Template for XXX Co., Ltd. Rules of Procedure for</p>

Current Provision	Revision Proposed	Remark
<p><u>announce the total amount of votes represented by the shares present at the meeting before the voting takes place. If no shareholder present at the meeting expresses any objection to the issue at hand after the chairperson has duly requested all of the shareholders present at the meeting to state their opinion on the issue, the resolution on the issue shall be deemed adopted having the same binding effects as one adopted by voting.</u></p> <p><u>The shareholder will express his/her objection (if any) to the issued at hand by voting in accordance with the preceding paragraph. Except the proposals listed in the agenda, all new issues, revision or replacement of the proposals listed in the agenda proposed by a shareholder must be seconded by other shareholders.</u></p> <p>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.</p> <p>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 minute.</p>	<p><u>following the end of the shareholders meeting.</u></p> <p>(The second paragraph is removed.)</p> <p>(The third paragraph is removed.)</p> <p>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.</p> <p>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.</p>	<p>Shareholders Meetings.</p>

Current Provision	Revision Proposed	Remark
<p><b>Article 19</b> 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.</p> <p>The above meeting minutes may be distributed to the shareholder by public notice.</p> <p>The meeting minutes shall accurately indicate the year, month, date, the venue, name of the chairperson, method of adopting resolutions, the gist of the proceeding and the conclusion of the meeting and kept by the Company throughout the existence of the Company.</p> <p><u>Where the method of adopting resolutions provided in the provided in the preceding paragraph means the resolution is adopted unanimously with no objection expressed on the chairman's request to the shareholders present at the meeting for hearing their opinion, the meeting minutes shall indicate Adopted unanimously by the shareholders present at the meeting after the chairperson requested to hear opinions. Where the resolution is adopted with objection expressed by the shareholder(s), the meeting minutes shall manifestly indicate the voting method, the number of votes for the voted issue received and the number of shares represented by the votes.</u></p>	<p><b>Article 19</b> 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.</p> <p><u>The Company may distribute the above meeting minutes to the shareholders by public notice on the M.O.P.S.</u></p> <p>The meeting minutes shall accurately indicate the year, month, date, the venue, name of the chairperson, method of adopting resolutions, the gist of the proceeding and the conclusion of the meeting and kept by the Company throughout the existence of the Company.</p> <p>(The last paragraph is removed.)</p>	<p>The revision is proposed in line with the adoption of electronic voting and voting as the only method to adopt a resolution by reference to Article 15 of the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings.</p>

## Appendix 7

### Proposed Revision of the Rules Governing Election of Directors and Supervisors

Current Provision	Revision Proposed	Remark
<b>Article 1</b> These <u>Rules</u> are established under Articles 21 and 41 of the Corporate Governance Best Practice Principles for Publicly Listed And Traded-Over-The-Counter Companies with a view to the open, just and just elections of the directors and supervisors of the Company.	<b>Article 1</b> These <u>Rules</u> are established under Articles 21 and 41 of the Corporate Governance Best Practice Principles for Publicly Listed And Traded-Over-The-Counter Companies with a view to the open, just and just elections of the directors and supervisors of the Company.	The revision of the Chinese wording is proposed in line with the designation of these Rules.
<b>Article 2</b> Except as otherwise provided by laws, regulations or the Articles of Incorporation of the Company, the directors and supervisors of the Company shall be elected in accordance with these <u>Rules</u> .	<b>Article 2</b> Except as otherwise provided by laws, regulations or the Articles of Incorporation of the Company, the directors and supervisors of the Company shall be elected in accordance with these <u>Rules</u> .	The revision of the Chinese wording is proposed in line with the designation of these Rules.
<b>Article 3</b> The directors of the Company shall be elected in consideration of the functions and duties of the Board of Directors as a whole. 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 <ol style="list-style-type: none"> <li>1. make business judgments and decisions;</li> <li>2. conduct fiscal and financial analyses;</li> <li>3. carry out and manage the business of the Company;</li> <li>4. deal with crisis;</li> <li>5. get hold of the relevant knowledge about the industries;</li> <li>6. perform functions and duties from a global perspective;</li> <li>7. exercise leadership skill; and</li> <li>8. make policy decisions.</li> </ol>	<b>Article 3</b> The directors of the Company shall be elected in consideration of the functions and duties of the Board of Directors as a whole. <u>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:</u> <ol style="list-style-type: none"> <li>1. <u>Basic qualification and values: gender, age, nationality and cultural background; and</u></li> <li>2. <u>Special knowledge and skill: special background (such as legal, accounting, fields of industry, financial, marketing or technology), special skill and practical industrial experience.</u></li> </ol> <p>The members of the Board of Directors must be generally equipped with the relevant knowledge, skill, education and training needed for them to</p>	<ol style="list-style-type: none"> <li>1. The revision of the first paragraph is proposed with the paragraphs re-sequenced in accordance with paragraph three, Article 20 of the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies with respect to the need of diversified background of the board of directors.</li> <li>2. Addition of a third paragraph is proposed in compliance with Article 37 of the same Best Practice Principles</li> </ol>

Current Provision	Revision Proposed	Remark
	<p>perform their functions and duties. The members of the Board of Directors as a whole must have the general ability to</p> <ol style="list-style-type: none"> <li>1. make business judgments and decisions;</li> <li>2. conduct fiscal and financial analyses;</li> <li>3. carry out and manage the business of the Company;</li> <li>4. deal with crisis;</li> <li>5. get hold of the relevant knowledge about the industries;</li> <li>6. perform functions and duties from a global perspective;</li> <li>7. exercise leadership skill; and</li> <li>8. make policy decisions.</li> </ol> <p><u>The majority of the directors must not be the spouse or a relative within the second degree of kinship to another among themselves.</u></p>	
<p><b>Article 4</b> The supervisor of the Company must</p> <ol style="list-style-type: none"> <li>1. be honest and have integrity;</li> <li>2. be able to make fair and just judgment;</li> <li>3. have special knowledge;</li> <li>4. have extensive experience;</li> <li>5. be able to read financial statements;</li> </ol> <p>Subject to the fulfillment of the above eligibility requirements, the Company will have at least one supervisor who must be a professional in the field of accounting or finance.</p>	<p><b>Article 4</b> The supervisor of the Company must</p> <ol style="list-style-type: none"> <li>1. be honest and have integrity;</li> <li>2. be able to make fair and just judgment;</li> <li>3. have special knowledge;</li> <li>4. have extensive experience;</li> <li>5. be able to read financial statements;</li> </ol> <p>Subject to the fulfillment of the above eligibility requirements, the Company will have at least one supervisor who must be a professional in the field of accounting or finance.</p> <p><u>The impartiality of the supervisor must be verified in accordance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies with a view to strengthening the risk management and financial, operational control.</u></p> <p><u>There must be one or more members among the supervisors themselves or among the supervisors and the directors themselves who is not the spouse or a relative within the second degree of kinship to another supervisor</u></p>	<p>The revision of paragraphs three to five is proposed by reference to Article 4 of the Sample Template for xxx Co., Ltd. Procedures for Election of Directors and Supervisors in consideration of clarity of the provision and in adherence to paragraph one, Article 216 of the Company Act.</p>



Current Provision	Revision Proposed	Remark
	<u>or director.</u> <u>No supervisor of the Company shall serve a concurrent office of the director, managerial officer or any other position of employment; and, in consideration of efficient supervisory control, there must be at least one from among the supervisors who has his/her domicile within the country.</u>	
<b>Article 6</b> The directors of the Company shall be elected based on nomination in accordance with Article 192-1 of the Company Act.	<b>Article 6</b> The directors <u>and supervisors</u> of the Company shall be elected based on nomination in accordance with Article 192-1 of the Company Act. <u>For the purpose of investigating the qualification, academic and practical background of the candidates to be appointed the directors, supervisors of the Company and whether or not the provision of Article 30 of the Company Act shall invoke to operate, no additional written evidence of qualification shall be produced without authorization. The result of the investigation must be presented to the shareholders for consideration for them to elect appropriate directors, supervisors for the Company. Should for whatever reason the number of directors falls below 5, the Company shall have new directors elected by the upcoming shareholders meeting. Notwithstanding, where the vacant offices of the directors account for 1/3 or the number specified in the Articles of Incorporation of the Company, the Company shall, within 60 days from the date of the occurrence, convene an extraordinary shareholders meeting to elect new directors to fill in the vacancies.</u> <u>Where the number of independent directors falls short of the number provided in the provision of paragraph one, Article 14-2 of the Securities and Exchange Act and the relevant provision of the Taiwan Stock Exchange Corporation Rules Governing Review of</u>	This revision is proposed by reference to Article 6 of the Sample Template for xxx Co., Ltd. Procedures for Election of Directors and Supervisors in line with the Company's adoption of the nomination regime to determine the candidates for the election of directors and supervisors provided for by Articles 22 and 42 of the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.

Current Provision	Revision Proposed	Remark
	<p><u>Securities Listings, new independent directors shall be elected by the upcoming shareholders meeting to fill the vacancies. Where all of the independent directors have been removed or discharged, an extraordinary shareholders meeting must be convened within 60 days of the occurrence to elect new independent directors.</u></p> <p><u>Where for whatever reason the number of supervisors falls short of the number provided in the Articles of Incorporation of the Company, new supervisors shall advisably be elected by the upcoming shareholders meeting to fill the vacancies.</u></p> <p><u>Notwithstanding, where all of the supervisors have been removed or discharged, an extraordinary shareholders meeting must be convened within 60 days of the occurrence to elect new supervisors to fill in the vacancies.</u></p>	
<p>Article 7 The Company adopts the <u>nominated cumulative voting system</u> for the election of the directors and the supervisors: the shareholder will have the same amount of votes entitled on each share held as the number of the directors, supervisors to be elected, which votes may be cumulated and cast for a single candidate or distributed among a plurality of candidates. The Company adopts the candidates' nomination system for the election of the independent director. The shareholders will elect from among the candidates nominated. The election of the independent director and the non-independent directors shall be held jointly with the number of the elect to be counted separately in accordance with the Articles of Incorporation of the Company and these Rules.</p>	<p>Article 7 The <u>nominated</u> cumulative <u>voting system shall be adopted</u> for the election of the directors and the supervisors of the Company: The shareholder will have the same amount of votes entitled on each share held as the number of the directors, supervisors to be elected, which votes may be cumulated and cast for a single candidate or distributed <u>among</u> 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.</p>	<p>With respect to the ballots the Company is to duly prepare to be used to elect directors and supervisors after adopting the nominated cumulative voting system provided for by Article 198 of the Company Act, according to the letter explanation of 17 June 2013 (ref. Jing-Shang-Zi No. 10202067100) issued by the Department of Commerce, Ministry of Economic Affairs, the Company Act has provided no</p>

Current Provision	Revision Proposed	Remark
		rules or limitations with respect to the preparation of the ballots to be used for the election of directors and supervisors of a company limited by shares and so the preparation of the ballots is allowed to remain a matter within the autonomy domain of the company to be decided in the sole discretion of the company. The revision is accordingly proposed.
Article 13 The votes cast will be opened and counted on site upon completion of the voting and the chairperson shall announce the election result on site by reading out the names of the directors and supervisors elect.	Article 13 The votes cast will be opened and counted on site upon completion of the voting and the chairperson shall announce the election result on site <u>by reading out, among others, the names of the directors and supervisors elect as well as their votes.</u> <u>The ballots provided in the preceding paragraph shall be sealed and signed by the ballot examiner and safely kept for at least one year and up through the conclusion of the action (if any) initiate by the shareholder of the Company under Article 189 of the Company Act.</u>	The revision is proposed by reference to Article 14 of the Sample Template for xxx Co., Ltd. Rules for Shareholders Meetings with an additional paragraph added with respect to the safekeeping of the ballots.

## Appendix 8

### Proposed Revision of the Procedural Rules for Providing Lending to Other Persons

Current Provision	Revision Proposed	Remark
<p><b>Article 5</b> Term and calculation of interest</p> <p>1. Each lending provided by the Company shall be for a term of not more than a year except in special cases where, <u>subject to the approval by the meeting of the Board of Directors, the term may be extended to meet actual needs.</u> Each lending provided by the Company to a directly or indirectly wholly-owned foreign company of the Company shall be for a term of not more than two years except in special cases where, <u>subject to the approval by the meeting of the Board of Directors of the Company, the term may be extended to meet actual needs.</u></p> <p>2. Interest on each lending provided by the Company shall be calculated on a daily basis at the rate equal to 1/365 of the applicable <i>per annum</i> interest rate which shall be no lower than the average <i>per annum</i> interest rate on the short-term loans provided by the banks as represented in the most recent financial statements of the Company.</p> <p>3. Except as specifically provided otherwise, the interest receivable on the lending provided by the Company shall as a general rule be collected on a monthly basis.</p>	<p><b>Article 5</b> Term and calculation of interest</p> <p>1. Each lending provided by the Company shall be for a term of not more than a year; <u>however, the lending provided by the Company to a foreign company directly or indirectly wholly-owned by the Company may</u> be for a term of not more than two years.</p> <p>2. Interest on each lending provided by the Company shall be calculated on a daily basis at the rate equal to 1/365 of the applicable <i>per annum</i> interest rate which shall be no lower than the average <i>per annum</i> interest rate on the short-term loans provided by the banks as represented in the most recent financial statements of the Company.</p> <p>3. Except as specifically provided otherwise, the interest receivable on the lending provided by the Company shall as a general rule be collected on a monthly basis.</p>	<p>This revision is proposed in accordance with the notice of 10 February 2015 issued by the TWSE (ref. Tai-Zheng-Shang-Yi-Zi No. 1041800527) that no term of any short-term lending provided by the Company may be extended by the approval of the meeting of the board of directors without due authorization for it to do so, which notice is issued as a result of the TWSE's 2013Q4 inspection of the internal control system of the Company.</p>

## Appendix 9

### Information of Director Nominees

ScinoPharm Taiwan, Ltd.

Annual General Shareholders Meeting- June 23<sup>rd</sup> 2015

Directors Nomination List nominated by shareholders

According to Article 192 of the Company Act,

The nominated candidates are listed as following:

Shareholder No	Name of Nominee	Academic Attainments	Past Career	Current Position	Amount of Shares Held (Unit: Share) [Note]
4	Uni-President Enterprises Corp. Representative: Kao-Huei Cheng	Tainan Senior Commercial High School	Vice Chairman and President of Tainan Spinning Co., Ltd.	1. Chairman of : Tainan Spinning Co., Ltd. › Nan Fan Housing Development Co., Ltd. › Tainan Spinning Retail & Distribution Co., Ltd. › Prince Housing & Development Corp. › Ming Da Enterprises Co., Ltd. › Southern Taiwan University of Science and Technology › Don-Fung Corp. › Cheng-Shi Investment Holding Co. › Time Square International Co., Ltd. › Prince Property Management Consulting Co. › Prince Corp. › ScinoPharm Taiwan, Ltd. 2. Director of : Nan Fan Development Corp. › Joyful Investment Co., Ltd. › Uni-President Enterprises Corp. › President International Development Corp. › Uni-President Development Corp. › President Fair Development Corp. › Uni-President Assets Management Co., Ltd. › President Securities Corp. › Universal Venture Capital Investment Corp. › Keng Ting Enterprises Co., Ltd. › Tainan Textile Co., Ltd. › Tainan Spinning Co., Ltd. (VN)	
4	Uni-President Enterprises Corp. Representative: Chih-Hsien Lo	MBA, U.C.LA, U.S.A.	Executive Vice President of Uni-President Enterprises Corp.	1. Chairman of : Uni-President Enterprises Corp. › President Chain Store Corp. › Ton Yi Industrial Corp › TTET Union Corp. › President International Development Corp. › Uni-President China Holdings Ltd. (Cayman) › President Enterprises (China) Investment Co., Ltd. 2. Vice Chairman of : Prince Housing & Development Corp. › Time Square International Co., Ltd.	

Shareholder No	Name of Nominee	Academic Attainments	Past Career	Current Position	Amount of Shares Held (Unit: Share) [Note]
				3. Director of : Tait Marketing & Distribution Co., Ltd. › ScinoPharm Taiwan, Ltd. 4. Supervisor of : Kao Chyuan Inv. Co., Ltd. 5. President of : Uni-President Enterprises Corp.	
4	Uni-President Enterprises Corp. Representative: Tsung-Ming Su	MBA, Iowa State Univ., U.S.A.	Chief Financial Officer and Senior Vice President of Uni-President Enterprises Corp.	1. Chairman of : President Life Sciences Co., Ltd. › Uni-President Development Corp. 2. Director of : President International Development Corp. › President Chain Store Corp. › Uni-President China Holdings Ltd. (Cayman) › Tanvex Biologics, Inc. › ScinoPharm Taiwan, Ltd. 3. Supervisor of : Grand Bills Finance Corp. 4. President of : President International Development Corp. › President Life Sciences Co., Ltd.	
4	Uni-President Enterprises Corp. Representative: Kun-Shun Tsai	Master of Science, University of Minnesota	1. Director, Uni-President Natural Corp. 2. Director, Taiwan Association for Lactic Acid Bacteria 3. Supervisor, Association of Taiwan Tea 4. Member, Technical Committee of National Standards, Bureau of Standards, Metrology & Inspection, M.O.E.A ROC 5. Commissioner of the Review Committee , Academic Technology Development Program, M.O.E.A ROC	1. Managing Director, Central R&D Institute, Uni-President Enterprises Corp. 2. Director, Tong Huang Enterprise Co., Ltd. 3. Director, Tuo Gao Enterprise Co., Ltd. 4. Director, Taiwan Association for Food Science and Technology	
4	Uni-President Enterprises Corp. Representative: Tsung-Pin Wu	Accounting, Chung Yuan Christian University	Financial Planning Division Manager (Accounting Supervisor), Uni-President Enterprises Corp.	1. Director of : President Chain Store Corp. › President Enterprises (China) Investment Co., Ltd. › Prince Housing & Development Corp. › Time Square International Co., Ltd. 2. Supervisor of : Tait Marketing & Distribution Co., Ltd. › President International Development Corp.	

Shareholder No	Name of Nominee	Academic Attainments	Past Career	Current Position	Amount of Shares Held (Unit: Share) [Note]
4	Uni-President Enterprises Corp. Representative: Yung-Fa Chen	1. Ph.D., Department of Chemistry, Wayne State University, U.S.A. 2. M.S., Department of Chemistry, National Taiwan University 3. B.S., Department of Chemistry, Tunghai University	1. Sr. Vice President of R&D & Chief Technology Officer 2. Tunghai University Department of Chemistry—Adjunct Associate Professor 3. CPC Corporation, Taiwan—Project Manager of Refining & Manufacturing Research Institute	1. President, CEO and Chief Technology Officer, ScinoPharm Taiwan, Ltd. 2. Director, SPT International, Ltd. 3. Director, ScinoPharm Singapore Pte Ltd. 4. Director & General Manager ScinoPharm Kun-Shan Biochemical., Ltd. 5. Director, ScinoPharm (Changshu) Pharmaceuticals, Ltd. 6. Director, ScinoPharm Shanghai Biochemical Technology, Ltd.	
860	Kao Chyuan Inv. Co., Ltd. Representative: Shiow-Ling Kao	Marymount College , University of Southern California	Chairman and President of Kao Chyuan Inv. Co., Ltd.;	1. Chairman of : Kao Chyuan Inv. Co., Ltd. , President Being Corp. , Uni-President Department Store Corp. , President Pharmaceutical Corp. , President Fair Development Corp. , President Drugstore Business Corp. 2. Director of : Uni-President Enterprises Corp. , President Chain Store Corp. , Ton Yi Industrial Corp , President International Development Corp. , Prince Housing & Development Corp. , President Securities Corp. , Time Square International Co., Ltd. , ScinoPharm Taiwan, Ltd. 3. President of : Kao Chyuan Inv. Co., Ltd.	
861	President International Development Corp. Representative: Chiou-Ru Shih	MA in Economics, University of Hawaii	1. Vice General Manager, President International Development Corp. 2. Director, President Biosystems Co., Ltd. 3. Department Director, President Life Sciences Co., Ltd. Investment	1. Director of : Kanh Na Hsiung Enterprise Co., Ltd. , President Life Sciences Co., Ltd. , Grand Bills Finance Corp. , ScinoPharm Taiwan, Ltd.	
5	Tainan Spinning Co., Ltd. Representative: Chien-Li Yin	Accounting, Nat'l Chung Hsing Univ.	Senior Vice President, Uni-President Enterprises Corp.	1. Chairman of : Uni-President Glass Industrial Co., Ltd. , Tung-Ren Pharmaceutical Corporation 2. Director of : Grand Bills Finance Corp. , President International Development Corp. , ScinoPharm	

Shareholder No	Name of Nominee	Academic Attainments	Past Career	Current Position	Amount of Shares Held (Unit: Share) [Note]
				Taiwan Inc. 3. Supervisor of : President Life Sciences Co.	
1	National Development Fund, Executive Yuan Representative: Po-Wu Gean	Ph.D.: Department of Pharmacology, University of Texas Medical Branch, Galveston, Texas, U.S.A.	1. Chairman, Department of Pharmacology, College of Medicine, NCKU 2. Vice Dean, College of Medicine, NCKU 3. Chair Professor Award, National Cheng-Kung University 4. National Chair Professor, Department of Education	1. Professor, Department of Pharmacology, College of Medicine, NCKU 2. Director, National Development Fund, Executive Yuan Representative: PharmaEngine, Inc. 3. Director, ScinoPharm Taiwan, Ltd.	
1	National Development Fund, Executive Yuan Representative: Ming-Shi Chang	University of Texas-South Western Medical Center	1. Director of Department of Biochemistry in National Cheng-Kung University 2. Director of Department of Biopharmaceutical Sciences in National Cheng-Kung University 3. Distinguished Professor of National Cheng-Kung University 4. Biosource International, Inc., U.S.A (Director of R&D) 5. Amgen, Inc., U.S.A Scientist	1. Chair Professor of National Cheng-Kung University 2. Director of Research Center of New Antibody Drug in National Cheng-Kung University 3. Director of Taiwan Antibody Association	
2	Taiwan Sugar Corporation Representative: Chin-Jung Yang	Master of Business Administration, Chang Jung Christian University	Taiwan Sugar Corporation Chief , Deputy Director , Special Assistant to President , Director , Deputy Chief Executive Officer , Chief Executive Officer , Vice President	1. President of Taiwan Sugar Corporation 2. Director, Nan-Kwang Senior High School 3. Director, ScinoPharm Taiwan, Ltd.	

Note: Shareholdings as of share transfer registration closing beginning on April 25, 2015.



ScinoPharm Taiwan, Ltd.  
Annual General Shareholders Meeting- June 23<sup>rd</sup> 2015  
Independent directors Nomination List nominated by shareholders  
According to Article 192 of the Company Act,  
The nominated candidates are listed as following:

ID No. or Shareholder No	Name of Nominee	Academic Attainments	Past Career	Current Position	Amount of Shares Held ( Unit: Share ) [Note]
123	Wei-Cheng Tian	<ol style="list-style-type: none"> <li>1. MS &amp; PhD, Department of Microbiology, Immunology and Molecular Genetics, University of Kentucky</li> <li>2. BSA, Department of Plant Pathology and Microbiology, National Taiwan University</li> </ol>	<ol style="list-style-type: none"> <li>I. Academic Institutions               <ol style="list-style-type: none"> <li>1. Professor, Institute of Microbiology &amp; Immunology, National Yang-Ming University</li> <li>2. Adjunct Professor, College of Medical Technology, National Yang-Ming University</li> </ol> </li> <li>II. R&amp;D Institutions               <ol style="list-style-type: none"> <li>1. CEO, Development Center for Biotechnology</li> <li>2. Director, National Health Research Institutes</li> </ol> </li> <li>III. Government Agencies               <ol style="list-style-type: none"> <li>1. Visiting Specialist, Department of Life Sciences, National Science Council</li> <li>2. Director General, Department of Life Sciences, National Science Council</li> <li>3. Director General, Department of International Cooperation, National Science Council</li> <li>4. Executive Secretary, Advisory Committee for Biotechnology Industry, Executive Yuan</li> <li>5. Adjunct Researcher, Science and Technology Advisory Group, Executive Yuan</li> <li>6. Member, Advisory Committee for Biotechnology Industry, Executive Yuan</li> </ol> </li> <li>IV. Industry               <ol style="list-style-type: none"> <li>1. Senior Researcher, S.B. Penick</li> <li>2. Senior Researcher &amp; Head of Strain Development, Wyeth Labs</li> <li>3. Senior Researcher &amp; Head of Antibiotic</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. Adjunct Professor, Department of Life Sciences, National Yang-Ming University</li> <li>2. Honorary Director, Taiwan Bio Industry Organization</li> <li>3. Advisor, Medical and Pharmaceutical Industry Technology and Development Center</li> <li>4. Representative of Institutional Director, IsoGreen Biotechnology Inc.</li> <li>5. Representative of Institutional Director, Sino Cell Technologies Inc.</li> <li>6. Representative of Institutional Director, Panlabs Biologics Inc.</li> <li>7. Director, PharmaEngine, Inc.,</li> <li>8. Chairman, Taipei Biotech Association</li> <li>9. Independent Director, ScinoPharm Taiwan, Ltd.</li> </ol>	90,804

ID No. or Shareholder No	Name of Nominee	Academic Attainments	Past Career	Current Position	Amount of Shares Held ( Unit: Share ) [Note]
			<p>Fermentation, Pfizer Inc.</p> <p>4. Initiator &amp; Standing Director, Lifeguard Pharmaceutical Inc.</p> <p>5. Chairman, Pu Sheng Pharmaceuticals Co., Ltd.</p> <p>6. Secretary General, Taiwan Bio Industry Organization</p> <p>7. Chairman, Taiwan Bio Industry Organization</p> <p>8. Director, Genovate Biotechnology Co., Ltd.</p> <p>9. Director, CPC Corp.</p> <p>10. Chairman, Mithra Biotechnology Co., Ltd.</p> <p>11. Honorary Chairman, Taipei Biotech Association</p> <p>12. Chief Advisor, Mithra Biotechnology Inc.</p> <p>13. Director, Chinese Pharmaceutical Manufacture and Development Association</p> <p>V. International Cooperation</p> <p>1. Standing Director, Asia &amp; Pacific Council for Science &amp; Technology; Convener, APCST Biotechnology Committee</p> <p>2. Chairman and Standing Member, Taiwan Chapter, COBIOTECH (ICSU International Scientific Committee for Biotechnology)</p> <p>3. Initiator, Pacific Rim Biotechnology Conference; Chairman, 3<sup>rd</sup> Pacific Rim Biotechnology Conference</p> <p>4. Executive Secretary, Committee of Sino-American Scientific Cooperation, Academia Sinica</p>		
R101000027	Ih-Jen Su	1. PhD in Pathology, Institute of Pathology, National Taiwan	1. President, National Institute of Infectious Diseases and Vaccinology, National Health Research	1. Appointed Scientist, National Institute of Infectious Diseases and Vaccinology, National Health Research	0

ID No. or Shareholder No	Name of Nominee	Academic Attainments	Past Career	Current Position	Amount of Shares Held ( Unit: Share ) [Note]
		University 2. MD, College of Medicine, National Taiwan University	Institutes 2. Director-General, Center for Disease Control, Department of Health 3. Professor and Chairman, Department and Institute of Pathology, College of Medicine, National Taiwan University 4. Visiting Scientist, CRC Laboratory, Department of Cancer Studies, University of Birmingham Medical School, Birmingham, UK 5. Visiting Assistant Professor, Department of Pathology, Beth Israel Hospital and Harvard Medical School, Boston, USA 6. Fellow, Division of Hematopathology, Department of Laboratory Medicine, University of Washington, Seattle, USA 7. Deputy Superintendent, National Cheng Kung University Hospital 8. Full-Time Professor, Department of Pathology, Medical College, National Cheng Kung University	Institutes 2. Chair Professor, Department of Pathology, Medical College, National Cheng Kung University 3. Professor, Jointly Appointed, Southern Taiwan University of Science and Technology 4. Independent Director, ScinoPharm Taiwan, Ltd.	
B121000053	Wei-te Ho	1. PhD, Department of Accountancy, National Cheng Kung University 2. Master, Department of Accountancy, National Cheng Kung University 3. BAcc, Department of Accountancy, National Cheng Kung University	1. Full-Time Lecturer, Department of Accounting Information, Southern Taiwan University of Science and Technology 2. Deputy Section Chief, Audit Department, Diwan, Ernst & Young (now Ernst & Young )	1. Assistant Professor, Department of Accounting Information, Southern Taiwan University of Science and Technology 2. Independent Director, ScinoPharm Taiwan, Ltd.	0

Note: Shareholdings as of share transfer registration closing beginning on April 25, 2015.