台灣神隆股份有限公司
ScinoPharm Taiwan, Ltd.



2014 Annual General Shareholder’s Meeting
Meeting Handbook (Translation)

June 18, 2014

Stock Code 1789

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ScinoPharm Taiwan, Ltd.
Shareholders Meeting 2014

Procedure and gist of Agenda

I. Procedure

Time: 9:30AM, Wednesday, 18 June 2014
Place: ScinoPharm Taiwan, Ltd. Administration Building
Address: 1F, 1 Nan-Ke 8th Road, Southern Taiwan Science Park, Shan-Hua, Tainan

1. **Announcement of meeting in session** (following the announcement of shares represented at the meeting)

2. **Chairperson's address**

3. **Reports:**
(1) Business Report on 2013
(2) Audit Committee's review opinions on 2013 Financial Results

4. **Matters proposed for ratification:**
(1) Business Report and Financial Statements for 2013
(2) Proposed earnings distribution plan for fiscal year 2013

5. **Matters proposed for discussion and resolution:**
(1) Proposed capital increase by issuing new shares on retained earnings
(2) Proposed revision of the Articles of Incorporation
(3) Proposed revision of the Rules Governing the Procedure for Handling Acquisition and Disposal of Assets

6. **Extempore motions:**

7. **Meeting adjourned**

II. Proposals

1. Reports:

(1) Business report on 2013

Explanation: Please see pages 7 to 9 of the Agenda for the Business Report (Appendix 1).

(2) Audit Committee's review opinions on 2013 Financial Results

Explanation: The Audit Committee's review report is attached as Appendix 2 (at pages 10~11).

2. Matters for ratification

(1)Business Report and Financial Statements for 2013 (as adopted by the meeting of the Board of Directors)

Explanation:

a. The parent and consolidated financial statements of 2013 of the Company as adopted by the 21 March 2014 meeting of the Board of Directors and duly certified by LIU Tzu-Meng, Certified Public Accountant and LIN Tzu-Yu, Certified Public Accountant from PricewaterhouseCoopers Taiwan were duly submitted in conjunction with the business report to the Auditing Board for inspection. This inspection was completed with the auditor's reports duly issued.

b. Please see Appendix 1 (at pages 7~9) and Appendices 3-4 (at pages 12~26) for the Business Report, Auditor's Reports, parent and consolidated financial statements.

c. It is proposed that resolution be adopted to ratify the above reports, books, records and financial statements.

Resolution:

(2) Proposed earnings distribution plan for fiscal year 2013 (as adopted by the meeting of the Board of Directors)

Explanation:

a. The Company's earnings distribution for fiscal year 2013 is proposed, in accordance with the Company Act and its Articles of Incorporation, by the Board of Directors as follows:

b. With TWD 1,220,717,231 of cumulative distributable earnings for the period of 2013, the Company proposes to pay a cash dividend of TWD1.2 and a stock dividend of TWD0.4 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 2013

Item	Amount (TWD)
After-tax net profit earned in 2013	1,273,404,321
Less: Legal reserve	(127,340,433)
Plus: Actuarial gain presented in retained earnings	413,201
Distributable profit from this period	1,146,477,089
Plus: Accumulated undistributed earnings from previous period	67,310,855
Adjustments in first-time adoption of T-IFRS	29,758,967
Minus: Special reserve provided for first-time adoption of T-IFRS	(22,829,680)
Total distributable earnings as of this period	1,220,717,231
Dividends to shareholders	
(Cash dividend TWD1,200 on each 1,000 shares held)	(811,112,640)
(Stock dividend 40 shares on each 1,000 shares held)	(270,370,880)
Undistributed earnings as of the end of the period	139,233,711

Notes:

1. Remuneration payable to directors and supervisors for 2013 calculated based on the total distributable earnings of the year is TWD22,929,542 with TWD22,929,664 thereof accounted as the estimated amount payable and the difference of TWD122 will be accounted as the income (loss) in year 2014.
2. Bonus to employees payable for 2013 calculated based on the total distributable earnings of the year is TWD2,292,955 with TWD2,292,966 accounted as the estimated amount payable and the difference of TWD11 will be accounted as the income (loss) in year 2014.
3. In terms of earnings distribution for fiscal year 2013, 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 shareholder shall be paid up to the rounded number with the fraction (if any) to be accounted as Other Income of the Company.

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

Resolution:

3. 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 TWD270,370,880 of the undistributed earnings accumulated from the previous period be capitalized to issue 27,037,088 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 are 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 TWD7,029,642,880 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:

(2)Proposed revisions to the Company's Articles of Incorporation (as adopted by the meeting of the Board of Directors)

Explanation:

a. In consideration of the change of the administrative territory of the Southern Taiwan Science Park Administration as a result of its restructuring in line with the relevant government policy, amendment to Article 3 of the Articles of Incorporation of the Company is proposed pursuant to the official request of 20 February 2014, ref. Nan-Shang-Zi No.1030004180 issued by the Southern Taiwan Science Park Administration.
b. In view of performance indicator No.35 adopted by the first corporate governance performance evaluation, for the purpose of preventing possible diminution of their impartiality from taking long service term in office at the cost of objective exercise of their powers and duties by the independent directors contrary to the spirit of corporate governance, amendment of Article 24 of the Articles of Incorporation of the Company is proposed to provide that the independent director shall serve in office for a term of not more than nine (9) years.
c. In consideration of full compliance with the current laws and regulations, amendment to Article 29 of the Articles of Incorporation of the Company is proposed pursuant to Article 3 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.
d. What follows is a juxtaposition of the proposed revisions to the Articles of Incorporation and the current provisions. For the entire original Articles of Incorporation ahead of revision, please see Exhibit 2 (at pages 46~53).

Current Provision	Revision Proposed	Remark
Article 3 The Company having its head office established at the Tainan Science-based Industrial Park may, where necessary, set up branch offices and representative offices at home or abroad in accordance with the relevant resolution adopted by the meeting of the Board of Directors subject to the approval of the competent authority.	**Article 3** The Company having its head office established at the Southern Taiwan Science Park may, where necessary, set up branch offices and representative offices at home or abroad in accordance with the relevant resolution adopted by the meeting of the Board of Directors subject to the approval of the competent authority.	The revision is proposed on the request of Southern Taiwan Science Parks Administration (STSP Administration) in line with the restructuring of the central competent authority and the change of the area under its control.
Article 24 The Directors each of the Company will serve an office term of three years and may be re-elected. Subject to the relevant resolution adopted by the meeting of the Board of Directors, liabilities insurance will be procured for the Director elect. Subject to the public offering of the Company, the total shareholding of the Directors and the Supervisors of the Company as a whole shall be in accordance with the Company Act and the regulations prescribed by the competent securities authority. The Company has an Audit Committee formed by all of the independent directors under the Securities And Exchange Act. The establishment, functions, powers and authorities, rules for the meetings and other legal compliance matters of the Audit Committee shall be in accordance with the relevant regulations issued by the competent securities authority.	**Article 24** The Directors each of the Company will serve an office term of three years and may be re-elected; but the independent director shall serve in office for a term of not more than nine (9) years. Subject to the relevant resolution adopted by the meeting of the Board of Directors, liabilities insurance will be procured for the Director elect. Subject to the public offering of the Company, the total shareholding of the Directors and the Supervisors of the Company as a whole shall be in accordance with the Company Act and the regulations prescribed by the competent securities authority. The Company has an Audit Committee formed by all of the independent directors under the Securities And Exchange Act. The establishment, functions, powers and authorities, rules for the meetings and other legal compliance matters of the Audit Committee shall be in accordance with the relevant regulations issued by the competent securities authority.	The revision is proposed in view of performance indicator No. 35 adopted by the first corporate governance performance evaluation, for the purpose of preventing possible diminution of their impartiality from taking long service term in office at the cost of objective exercise of their powers and duties by the independent directors contrary to the spirit of corporate governance.
Article 29 The Directors shall vote to approve or disapprove and exercise their powers and duties with respect to the matters proposed on the agenda at the relevant meeting of the Board of Directors which shall be convened at least once every three months. Except as otherwise provided by the Company Act, the resolution with respect to the revision of these Articles of Incorporation as provided in subparagraph (1) below must be adopted by three fourths (3/4) or more of all of the Directors of the Company and with respect to other matters by two thirds (2/3) or more of all of the Directors of the Company: (1)~(20)……(Omitted.)	**Article 29** The Directors shall vote to approve or disapprove and exercise their powers and duties with respect to the matters proposed on the agenda at the relevant meeting of the Board of Directors which shall be convened at least once every quarter. Except as otherwise provided by the Company Act, the resolution with respect to the revision of these Articles of Incorporation as provided in subparagraph (1) below must be adopted by three fourths (3/4) or more of all of the Directors of the Company and with respect to other matters by two thirds (2/3) or more of all of the Directors of the Company: (1)~(20)……(Omitted.)	The revision is proposed in accordance with Article 3 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

Current Provision	Revision Proposed	Remark
Article 42 These Articles of Incorporation established on 16 October 1997 have been revised as follows:1st revision of 17 March 1998,…(omitted),19th revision of 21 June 2013.	**Article 42** These Articles of Incorporation established on 16 October 1997 have been revised as follows:1st revision of 17 March 1998,…(omitted), 19th revision of 21 June 2013<u>, and 20th revision of 2014</u>.	The revision is proposed to bring up to date the history of revision of these Articles.

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

<u>Resolution:</u>

(3) Proposed revisions to the Rules Governing the Procedure for Handling Acquisition and Disposal of Assets (as adopted by the meeting of the Board of Directors).

<u>Explanation</u>:

a. The Securities and Futures Bureau, Financial Supervisory Commission announced its order of December 30, 2013 (ref. Jin-Guan-Zheng-Fa-Zi No.1020053073 to revise partial articles of Regulations Governing the Acquisition and Disposal of Assets by Public Companies in line with Taiwan's adoption of the IFRSs, enhancement of internal control of Acquisition and Disposal of Assets by Public Companies and corporate governance. The Company proposes the following revision to its Rules Governing the Procedure for Handling Acquisition and Disposal of Assets according to the revised regulation.

b. Please see the proposed revisions to the Rules Governing the Procedure for Handling Acquisition and Disposal of Assets juxtaposed with the current provision as show in Appendix 5(at pages 27~37).

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

<u>Resolution</u>:

4. Extempore motions

5. Meeting adjourned

III. Appendices

Appendix 1

Business Report

The year 2013 was a very successful year for ScinoPharm Taiwan. Aided by an aging global population and increased spending by many governments for health care (especially generics), the biopharmaceutical industry in Taiwan has seen an increase in demand for its products. The local industry, in recent years, has gradually undergone a beneficial integration of government, industry and academia resources in addition to receiving increased capital funding. ScinoPharm has played a significant part in this growth story. It has continued to flourish in its generic drug sales, while at the same time its contract research and manufacturing services (CRAM) activities also achieved stable growth, thus leading to significantly increased overall revenues. In addition, strengthened internal operational efficiencies and diligent cost controls produced an outstanding net profit performance for the year. Annual revenues for the first time surpassed the NT$5 billion level resulting in record sales and the company's best financial results since it was founded.

Financial Performance

The parent company revenues for 2013 reached NT$5.084 billion, a growth rate of 11% compared to NT$4.572 billion in the previous year. Its net income after tax amounted to NT$1.273 billion, a growth rate of 9% compared to NT$1.171 billion in the previous year. The consolidated revenues for 2013 reached NT$5.088 billion, a growth rate of 11% compared to NT$4.573 billion in the previous year. The consolidated net income after tax amounted to NT$1.273 billion, a growth rate of 9% compared to NT$1.171 billion in the previous year.

As of the close of last year, the company's paid-in capital was NT$6.759 billion, and earnings per share were NT$1.88. Shareholder equity was NT$9.643 billion, representing 84% of the consolidated total assets of the company of NT$11.48 billion. The long-term capital ratio was 2.3 times the value of the company's consolidated fixed assets with the current ratio of current assets to current liabilities being 3.5 times. The financial structure of the company remained strong as ScinoPharm specialized in high potency products with high technical entry barriers allowing for higher margins. The average gross margin for injectable Active Pharmaceutical Ingredients (APIs) used in cancer treatment sustained about 50%, which ensured excellent profitability for ScinoPharm.

Operating Performance

Continuing the previous year's sales growth momentum, generic drug sales remained robust and growth in the CRAM business remained strong. APIs for oncological and central nervous system (CNS) treatments achieved steady sales growth. Among them, *Irinotecan*, used for the treatment of colorectal cancer, nearly tripled in sales compared to the previous year, thus making it the highest revenue product for the company last year. Furthermore, *Exemestane*, used for the treatment of breast cancer, benefited from a large dedicated production line completed at the end of 2012 and used exclusively for manufacturing steroids. These products significantly contributed to the company's sales.

In terms of market development, ScinoPharm continued to grow its sales of European and U.S. generics and managed to sustain its current global leadership position as a supplier of generic oncological and CNS APIs. In recent years, the company has increased its marketing efforts in Japan and India as well as continued its significant marketing and manufacturing activities in China. These focused efforts contributed to the company's increasing success in capturing new business opportunities in these emerging markets, especially in Japan's generics market. As a result of *Irinotecan's* steady growth in the Japanese market as well as initiating large-scale production of *Gemcitabine* (used for the treatment of non-small-cell lung cancer), ScinoPharm was able to double its sales performance in this market. In order to more effectively capture a larger share of Japan's emerging generics market, the company opened an office in Tokyo in July of last year.

In order to meet rapidly growing demand for ScinoPharm’s products, the company has expanded its global production capacity by completing construction of its new and large API manufacturing facility at Changshu located in Jiangsu, China. Currently, four products have been granted permits to engage in production. The company is in the process of filing applications for launch of one of these items in Mainland China as well as for three of the items for the United States. Because many major European and U.S. pharmaceutical companies are searching for qualified API partners that are in full compliance with international GMPs, as well as with worker safety and environmental protection standards in China, the Changshu site has a clear competitive advantage, hopefully leading to the capture of a significant share of these business opportunities.

ScinoPharm Taiwan attaches great importance to "research and development" and "innovation capability". Since its inception, the company has considered R&D as its most important strategic investment. Through its strong process R&D successes, the company has achieved steady growth in terms of both revenues and profits. Last year, six APIs were successfully developed and offered for sale into the global market. Further, in order to expand its long-term competitive advantages, the company has successfully developed significant intellectual property patents. Last year, applications for 11 product process or polymorph patents were filed. As of the end of 2013, ScinoPharm Taiwan has obtained 180 patents worldwide for its 34 inventions. Additionally, 55 invention patents have been filed and are currently under review. In line with the impressive product R&D technical accomplishments, ScinoPharm’s drug registration group has filed 663 Drug Master Files (DMFs) as of the end of last year, of which 47 meet the requirements of the United States. These technical accomplishments will continue to provide a competitive advantage for ScinoPharm in capturing new marketing opportunities.

In order to accelerate the momentum of revenue growth, the company has expanded into several high value-added areas through a number of strategic alliances. These include a joint venture with *U.S. Foresee*, providing for the development of novel oncological peptide drugs, the development of a series of generic oncological drugs for Mainland China with *Coland Holdings Ltd.* and the collaboration with *Sundia MediTech* on CRAMs in mainland China, providing an opportunity to tap into this large and growing business potential. In addition, the company has co-developed with *Genovate* a new generation of highly potent, orally active generic drugs for treating Hepatitis B, which will result, for the first time, in a major strategic move for ScinoPharm into the sterile formulation development field. These strategic collaborations will significantly assist in ScinoPharm's long-term business development and ensure that the company’s growth momentum will continue into the future.

ScinoPharm’s long-term efforts have been recognized widely by the communities. Last year, it received the “Best Contribution Award" from the Taiwan government’s Intellectual Property Office in the category of the National Invention Award selections. In addition, the company was selected by CommonWealth magazine as the number one company in the "Most Admired Biopharmaceutical Industry" category. The company placed first in seven indicators: foresight, customer orientation, personnel training, use of technology, long-term investment success, social responsibility, and multinational operations. Moreover, the company has ranked in the top 50 manufacturing companies (among 2000 enterprises) for six consecutive years. At the end of the year, it obtained AEO (Authorized Economic Operator) certification by Taiwan's Ministry of Finance for the second time. These recognitions symbolize the company's robust business performance.

Future Prospects

After many years of hard work, ScinoPharm, with its strong R&D and manufacturing skills and its ability to supply an increasing share of global generic APIs and supporting services, has established a strong foothold in the international biopharmaceutical market. It will continue to develop the Chinese and Japanese markets in order to enhance its long-term competitive advantages and provide the mechanism for continued growth. In addition to continuously expanding its portfolio of oncological products and optimizing its production processes, the company will soon expand into the high-value-sterile formulation segment of the industrial API chain. This high potency oncological injection formulation plant under development will soon vertically integrate this downstream production process. In addition, the completion of the new API manufacturing and R&D center in Changshu, China will significantly increase the company's production capacity thus enabling ScinoPharm to expand its product offerings and diversify its product development selections. The product portfolio may very well be extended to mass-produced products as well. Using existing global marketing connections, these additional product opportunities will accelerate ScinoPharm's business growth, thus allowing continuing revenue growth in the global biopharmaceutical market.

The biopharmaceutical industry in Taiwan has been well recognized as a rising commercial success. With the active investment and promotion of the government and private enterprises, industrial growth and development of this sector will offer promising future prospects. ScinoPharm's team strives to lead its staff towards the capture of an increasing share of these future growth prospects. The goal for ScinoPharm is to execute the necessary strategies to succeed in this effort. The result is expected to maximize value for the company, shareholders, and employees.

We wish to express our appreciation to our dedicated employees for their contribution to the company's past successes, as well as to our customers, suppliers, shareholders, and the community for their support and recognition.

I wish you all good health and best wishes.

Appendix 2

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2013 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 21, 2014

Audit Committee’s Review Report

The Board of Directors revised the Company's 2013 Business Report. The revised Business Report has 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

May 8, 2014

Appendix 3

Auditors' Report and parent financial statements on 2013

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, 2013, December 31, 2012, and January 1, 2012, and the related non-consolidated statements of comprehensive income, of changes in equity and of cash flows for the years ended December 31, 2013 and 2012. 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, 2013, December 31, 2012 and January 1, 2012, and its financial performance and cash flows for the years ended December 31, 2013 and 2012 in conformity with the "Rules Governing the Preparations of Financial Statements by Securities Issuers".

PricewaterhouseCoopers, Taiwan
Republic of China
March 21, 2014

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, 2013 AMOUNT	%	December 31, 2012 AMOUNT	%	January 1, 2012 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 1,864,352	18	$ 2,584,773	26	$ 3,080,455	33
1110	Financial assets at fair value through profit or loss - current	6(2)	-	-	473	-	2,066	-
1150	Notes receivable, net		230	-	-	-	-	-
1170	Accounts receivable, net	6(3)	969,117	9	841,334	9	843,817	9
1180	Accounts receivable - related parties	7	1,118	-	-	-	-	-
1200	Other receivables		18,692	-	3,470	-	14,524	-
1210	Other receivables - related parties	7	26,120	-	9,040	-	4,752	-
130X	Inventories	5(2) and 6(4)	2,291,613	21	1,733,533	17	1,449,852	15
1410	Prepayments		191,095	2	204,762	2	168,631	2
1476	Other current financial assets - current	8	15,552	-	-	-	15,552	-
11XX	**Current Assets**		5,377,889	50	5,377,385	54	5,579,649	59
	Non-current assets							
1543	Financial assets carried at cost - non-current	6(5)	167,673	2	167,673	2	-	-
1550	Investments accounted for under equity method	6(5)(6)	1,682,715	16	1,242,315	13	1,131,951	12
1600	Property, plant and equipment	6(7)(8) and 7	3,153,292	30	2,869,977	29	2,534,793	27
1780	Intangible assets		7,906	-	1,538	-	2,026	-
1840	Deferred income tax assets	5(2) and 6(22)	149,386	1	110,446	1	84,394	1
1915	Prepayments for equipment		140,414	1	145,097	1	66,842	1
1920	Guarantee deposits paid		2,228	-	2,719	-	2,525	-
1980	Other financial assets - non-current	8	24,667	-	39,369	-	23,817	-
15XX	**Non-current assets**		5,328,281	50	4,579,134	46	3,846,348	41
1XXX	**Total assets**		$ 10,706,170	100	$ 9,956,519	100	$ 9,425,997	100

(Continued)

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

			December 31, 2013		December 31, 2012		January 1, 2012	
	Liabilities and Equity	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current liabilities							
2120	Financial liabilities at fair value through profit or loss - current	6(2)	$ 1,138	-	$ -	-	$ -	-
2150	Notes payable		1,080	-	1,045	-	83	-
2170	Accounts payable		160,379	1	125,220	1	183,521	2
2180	Accounts payable - related parties	7	53,868	1	18,017	-	77,872	1
2200	Other payables	6(9) and 7	557,967	5	505,462	5	385,550	4
2230	Current income tax liabilities		147,735	1	169,991	2	112,898	1
2310	Advance receipts		74,562	1	2,183	-	16,946	-
2355	Finance lease liabilities - current		-	-	-	-	964	-
2399	Other current liabilities		-	-	-	-	19,804	-
21XX	**Current Liabilities**		996,729	9	821,918	8	797,638	8
	Non-current liabilities							
2570	Deferred income tax liabilities	6(22)	639	-	-	-	-	-
2640	Accrued pension liabilities	5(2) and 6(10)	65,548	1	65,462	1	62,739	1
2645	Refundable deposits received		-	-	-	-	250	-
25XX	**Non-current liabilities**		66,187	1	65,462	1	62,989	1
2XXX	**Total Liabilities**		1,062,916	10	887,380	9	860,627	9
	Equity							
	Share capital	6(12)(14)						
3110	Share capital - common stock		6,759,272	63	6,499,300	65	6,310,000	67
	Capital reserve	6(11)(13)						
3200	Capital surplus		1,247,796	12	1,246,977	13	1,246,977	13
	Retained earnings	6(14)(22)						
3310	Legal reserve		220,944	2	103,897	1	7,962	-
3320	Special reserve		22,829	-	22,829	-	30,419	1
3350	Undistributed earnings		1,348,058	13	1,231,176	12	970,012	10
	Other equity interest	6(15)						
3400	Other equity interest		44,355	-	(35,040)	-	-	-
3XXX	**Total equity**		9,643,254	90	9,069,139	91	8,565,370	91
	Contingent liabilities and Commitments	9						
	Total liabilities and equity		$ 10,706,170	100	$ 9,956,519	100	$ 9,425,997	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	For the years ended December 31, 2013 AMOUNT	2013 %	2012 AMOUNT	2012 %
4000	**Sales revenue**	6(16) and 7	$ 5,083,603	100	$ 4,572,198	100
5000	**Operating costs**	6(4)(10)(20)(21) and 7	(2,513,605)	(49)	(2,347,075)	(51)
5900	**Net operating margin**		2,569,998	51	2,225,123	49
	Operating expenses	6(10)(20)(21) and 7				
6100	Selling expenses		(185,894)	(4)	(173,012)	(4)
6200	General and administrative expenses		(434,038)	(8)	(366,189)	(8)
6300	Research and development expenses		(340,824)	(7)	(262,709)	(6)
6000	**Total operating expenses**		(960,756)	(19)	(801,910)	(18)
6900	**Operating profit**		1,609,242	32	1,423,213	31
	Non-operating income and expenses					
7010	Other income	6(17)	64,849	1	93,144	2
7020	Other gains and losses	6(2)(8)(18)	(16,092)	-	(22,277)	-
7050	Finance costs	6(19)	(1)	-	(29)	-
7070	Share of profit/(loss) of associates and joint ventures accounted for under equity method	6(6)	(143,252)	(3)	(93,167)	(2)
7000	**Total non-operating income and expenses**		(94,496)	(2)	(22,329)	-
7900	**Profit before income tax**		1,514,746	30	1,400,884	31
7950	Income tax expense	6(22)	(241,342)	(5)	(230,008)	(5)
8200	**Profit for the year**		$ 1,273,404	25	$ 1,170,876	26
	Other comprehensive income					
8310	Financial statements translation differences of foreign operations		$ 79,395	2	($ 35,040)	(1)
8360	Actuarial gain (loss) on defined benefit plan	6(10)	498	-	(1,286)	-
8399	Income tax relating to the components of other comprehensive income	6(22)	(85)	-	219	-
8300	**Other comprehensive income (loss) for the year**		$ 79,808	2	($ 36,107)	(1)
8500	**Total comprehensive income for the year**		$ 1,353,212	27	$ 1,134,769	25
	Basic earnings per share (in dollars)					
9750	**Net income**	6(23)	$	1.88	$	1.73
	Diluted earnings per share (in dollars)					
9850	**Net income**	6(23)	$	1.88	$	1.73

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				
	Notes	Share capital - common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Total
For the year ended December 31, 2012								
Balance at January 1, 2012		$ 6,310,000	$ 1,246,977	$ 7,962	$ 30,419	$ 970,012	$ -	$ 8,565,370
Appropriations of 2011 net income(Note):								
Legal reserve		-	-	95,935	-	(95,935)	-	-
Cash dividends	6(14)	-	-	-	-	(631,000)	-	(631,000)
Stock dividends	6(14)	189,300	-	-	-	(189,300)	-	-
Net income for the year ended December 31, 2012		-	-	-	-	1,170,876	-	1,170,876
Other comprehensive loss for the year ended December 31, 2012	6(15)	-	-	-	-	(1,067)	(35,040)	(36,107)
Reversal of special reserve		-	-	-	(7,590)	7,590	-	-
Balance at December 31, 2012		$ 6,499,300	$ 1,246,977	$ 103,897	$ 22,829	$ 1,231,176	($ 35,040)	$ 9,069,139
For the year ended December 31, 2013								
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(14)	259,972	-	-	-	(259,972)	-	-
Employee stock option compensation cost		-	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	6(13)	-	188	-	-	-	-	188
Disposal of subsidiaries	6(13)	-	(188)	-	-	-	-	(188)
Balance at December 31, 2013		$ 6,759,272	$ 1,247,796	$ 220,944	$ 22,829	$ 1,348,058	$ 44,355	$ 9,643,254

Note: The employees' bonuses were $1,727 and $2,107 and the directors' remuneration were $17,268 and $21,068 in 2011 and 2012, 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, 2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax for the year		$ 1,514,746	$ 1,400,884
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		1,611	1,593
Provision for doubtful accounts	6(3)	5	-
Doubtful accounts as other income	6(3)	-	(4,115)
Loss on inventory market price decline	6(4)	8,167	41,191
Provision (reversal) of allowance for obsolescence of supplies		5,899	(11,009)
Share of (profit)/loss of associates and joint ventures accounted for under equity method	6(6)	143,252	93,167
Gain on disposal of long-term investments		(2,331)	-
Depreciation	6(7)(20)	374,874	325,839
Loss on disposal of property, plant and equipment	6(18)	3,156	933
Gain on reversal of impairment loss	6(8)(18)	(3,185)	(5,857)
Amortization	6(20)	1,832	858
Employee stock option compensation costs	6(13)	768	-
Interest income	6(17)	(21,140)	(24,111)
Interest expense	6(19)	1	29
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Notes receivable		(230)	-
Accounts receivable		(127,788)	6,598
Accounts receivable–related parties		(1,118)	-
Other receivables		(15,222)	11,054
Other receivables–related parties		(17,080)	(4,288)
Inventories		(566,247)	(324,872)
Prepayment		7,768	(25,122)
Net changes in liabilities relating to operating activities			
Notes payable		35	962
Accounts payable		35,159	(58,301)
Accounts payable–related parties		35,851	(59,855)
Other payables		78,175	35,725
Advance receipts		72,379	(14,763)
Other current liabilities		-	(19,804)
Accrued pension liabilities		584	1,437
Cash generated from operations		1,529,921	1,368,173
Interest received		21,140	24,111
Interest paid		(1)	(29)
Income tax paid		(301,984)	(198,748)
Net cash provided by operating activities		1,249,076	1,193,507

(Continued)

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

	Notes	2013	2012
		For The Years Ended December 31,	
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in pledged time deposits		($ 850)	$ -
Acquisition of investments accounted for under the equity method - subsidiaries		(399,205)	(406,244)
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)	(448,070)	(288,141)
Proceeds from disposal of property, plant and equipment		308	-
Acquisition of intangible assets		(8,200)	(370)
Increase in prepayment for equipment		(229,044)	(362,026)
Increase (decrease) in guarantee deposits paid		491	(194)
Net cash used in investing activities		(1,189,581)	(1,056,975)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in finance lease liabilities - current		-	(964)
Decrease in refundable deposits received		-	(250)
Payment of cash dividends	6(14)	(779,916)	(631,000)
Net cash used in financing activities		(779,916)	(632,214)
Decrease in cash and cash equivalents		(720,421)	(495,682)
Cash and cash equivalents at beginning of year	6(1)	2,584,773	3,080,455
Cash and cash equivalents at end of year	6(1)	$ 1,864,352	$ 2,584,773

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

Appendix 4

Auditors' Report and consolidated financial statements on 2013

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, 2013, December 31, 2012, and January 1, 2012, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years ended December 31, 2013 and 2012. 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, 2013, December 31, 2012 and January 1, 2012, and their financial performance and cash flows for the years ended December 31, 2013 and 2012 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.

We have also audited the parent company only financial statements of ScinoPharm Taiwan, Ltd. as of and for the years ended December 31, 2013 and 2012, and have expressed an unqualified opinion on those financial statements.

PricewaterhouseCoopers, Taiwan

Republic of China

March 21, 2014

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.
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2013 AMOUNT	%	December 31, 2012 AMOUNT	%	January 1, 2012 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 2,289,428	20	$ 3,035,012	30	$ 3,293,681	35
1110	Financial assets at fair value through profit or loss - current	6(2)	-	-	473	-	2,066	-
1150	Notes receivable, net		230	-	-	-	-	-
1170	Accounts receivable, net	6(3)	969,523	8	841,334	8	843,902	9
1180	Accounts receivable - related parties	7	1,118	-	-	-	-	-
1200	Other receivables		161,496	1	96,300	1	47,983	1
130X	Inventories	5(2) and 6(4)	2,512,318	22	1,870,275	18	1,465,462	15
1410	Prepayments		193,763	2	214,261	2	179,883	2
1476	Other financial assets-current	8	15,552	-	-	-	15,552	-
11XX	**Current Assets**		6,143,428	53	6,057,655	59	5,848,529	62
	Non-current assets							
1543	Financial assets carried at cost - non-current	6(5)	167,673	1	167,673	2	-	-
1550	Investments accounted for under equity method	6(5)(6)	90,455	1	-	-	172,107	2
1600	Property, plant and equipment	6(7)(9) and 7	4,213,982	37	3,559,228	34	2,890,760	30
1780	Intangible assets		28,709	-	17,521	-	13,330	-
1840	Deferred income tax assets	5(2) and 6(24)	305,089	3	153,940	2	84,394	1
1915	Prepayments for equipment		399,306	4	237,535	2	346,322	4
1980	Other financial assets - non-current	8	24,667	-	39,369	-	23,817	-
1985	Long-term prepaid rent	6(8)	92,994	1	90,018	1	100,158	1
1990	Other non-current assets		17,925	-	16,937	-	8,453	-
15XX	**Non-current assets**		5,340,800	47	4,282,221	41	3,639,341	38
1XXX	**Total assets**		$ 11,484,228	100	$ 10,339,876	100	$ 9,487,870	100

(Continued)

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

			December 31, 2013		December 31, 2012		January 1, 2012	
	Liabilities and Equity	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(10)	$ 689,785	6	$ 263,676	3	$ -	-
2120	Financial liabilities at fair value through profit or loss - current	6(2)	1,138	-	-	-	-	-
2150	Notes payable		1,080	-	1,045	-	83	-
2170	Accounts payable		264,437	2	223,074	2	299,250	3
2200	Other payables	6(11)	594,800	5	536,155	5	405,808	5
2230	Current income tax liabilities	6(24)	147,735	1	177,539	2	114,937	1
2310	Advance receipts		75,812	1	2,183	-	16,946	-
2355	Finance lease liabilities - current		-	-	-	-	964	-
2399	Other current liabilities		-	-	-	-	19,804	-
21XX	**Current Liabilities**		1,774,787	15	1,203,672	12	857,792	9
	Non-current liabilities							
2570	Deferred income tax liabilities	6(24)	639	-	-	-	-	-
2640	Accrued pension liabilities	5(2) and 6(12)	65,548	1	65,462	-	62,739	1
2645	Refundable deposits received		-	-	-	-	250	-
25XX	**Non-current liabilities**		66,187	1	65,462	-	62,989	1
2XXX	**Total Liabilities**		1,840,974	16	1,269,134	12	920,781	10
	Equity attributable to owners of parent							
	Share capital							
3110	Share capital - common stock	6(14)(16)	6,759,272	59	6,499,300	63	6,310,000	67
	Capital surplus							
3200	Capital surplus	6(13)(15)(26)	1,247,796	11	1,246,977	12	1,246,977	13
	Retained earnings	6(16)(24)						
3310	Legal reserve		220,944	2	103,897	1	7,962	-
3320	Special reserve		22,829	-	22,829	-	30,419	-
3350	Undistributed earnings		1,348,058	12	1,231,176	12	970,012	10
	Other equity interest							
3400	Other equity interest	6(17)(26)	44,355	-	(35,040)	-	-	-
31XX	**Equity attributable to owners of the parent**		9,643,254	84	9,069,139	88	8,565,370	90
36XX	**Non-controlling interest**		-	-	1,603	-	1,719	-
3XXX	**Total equity**		9,643,254	84	9,070,742	88	8,567,089	90
	Contingent liabilities and Commitments	9						
	Total liabilities and equity		$ 11,484,228	100	$ 10,339,876	100	$ 9,487,870	100

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

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

			For the years ended December 31			
			2013		2012	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	**Sales revenue**	6(18) and 7	$ 5,088,245	100	$ 4,572,509	100
5000	**Operating costs**	6(4)(12)(22)(23)	(2,545,712)	(50)	(2,259,081)	(49)
5900	**Net operating margin**		2,542,533	50	2,313,428	51
	Operating expenses	6(12)(22)(23) and 7				
6100	Selling expenses		(188,443)	(4)	(185,346)	(4)
6200	General and administrative expenses		(538,715)	(10)	(565,321)	(12)
6300	Research and development expenses		(417,875)	(8)	(303,023)	(7)
6000	**Total operating expenses**		(1,145,033)	(22)	(1,053,690)	(23)
6900	**Operating profit**		1,397,500	28	1,259,738	28
	Non-operating income and expenses					
7010	Other income	6(19)	51,909	1	98,830	2
7020	Other gains and losses	6(2)(9)(20)	(16,189)	-	18,052	-
7050	Finance costs	6(21)	(7,916)	-	(29)	-
7060	Share of profit/(loss) of associates and joint ventures accounted for under equity method	6(6)	(16,791)	(1)	(4,434)	-
7000	**Total non-operating income and expenses**		11,013	-	112,419	2
7900	**Profit before income tax**		1,408,513	28	1,372,157	30
7950	Income tax expense (benefit)	6(24)	(135,109)	(3)	(201,328)	(4)
8200	**Profit for the year**		$ 1,273,404	25	$ 1,170,829	26
	Other comprehensive income					
8310	Financial statements translation differences of foreign operations		$ 79,395	2	($ 35,040)	(1)
8360	Actuarial gain (loss) on defined benefit plans	6(12)	498	-	(1,286)	-
8399	Income tax relating to the components of other comprehensive income	6(24)	(85)	-	219	-
8300	**Total other comprehensive income for the year**		$ 79,808	2	($ 36,107)	(1)
8500	**Total comprehensive income for the year**		$ 1,353,212	27	$ 1,134,722	25
	Profit (loss) attributable to:					
8610	Owners of the parent		$ 1,273,404	25	$ 1,170,876	26
8620	Non-controlling interest		-	-	(47)	-
	Profit for ther year		$ 1,273,404	25	$ 1,170,829	26
	Comprehensive income attributable to:					
8710	Owners of the parent		$ 1,353,212	27	$ 1,134,769	25
8720	Non-controlling interest		-	-	(47)	-
	Total comprehensive income for the year		$ 1,353,212	27	$ 1,134,722	25
	Basic earnings per share (in dollars)	6(25)				
9750	**Net income**		$	1.88	$	1.73
	Diluted earnings per share (in dollars)	6(25)				
9850	**Net income**		$	1.88	$	1.73

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

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

		Equity attributable to owners of the parent								
				Retained Earnings						
	Notes	Share capital - common stock	Total capital surplus, additional paid-in capital	Legal reserve	Special reserve	Total unappropriated retained earnings	Financial statements translation differences of foreign operations	Total	Non-controlling interest	Total equity
For the year ended December 31, 2012										
Balance at January 1, 2012		$ 6,310,000	$ 1,246,977	$ 7,962	$ 30,419	$ 970,012	$ -	$ 8,565,370	$ 1,719	$ 8,567,089
Appropriations of 2011 net income:										
Legal reserve		-	-	95,935	-	(95,935)	-	-	-	-
Cash dividends	6(16)	-	-	-	-	(631,000)	-	(631,000)	-	(631,000)
Stock dividends	6(14)(16)	189,300	-	-	-	(189,300)	-	-	-	-
Consolidated net income for 2012		-	-	-	-	1,170,876	-	1,170,876	(47)	1,170,829
Other comprehensive income for 2012	6(17)	-	-	-	-	(1,067)	(35,040)	(36,107)	-	(36,107)
Reversal of special reserve	15	-	-	-	(7,590)	7,590	-	-	-	-
Change in non-controlling interest		-	-	-	-	-	-	-	(69)	(69)
Balance at December 31, 2012		$ 6,499,300	$ 1,246,977	$ 103,897	$ 22,829	$ 1,231,176	($ 35,040)	$ 9,069,139	$ 1,603	$ 9,070,742
For the year ended December 31, 2013										
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
Appropriations 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(15)	-	819	-	-	-	-	819	-	819
Consolidated net income for 2012		-	-	-	-	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 acquisition or disposal price and carrying amount of subsidiaries:	6(15)(26)									
Acquisition of subsidiaries		-	188	-	-	-	-	188	-	188
Disposal of subsidiaries		-	(188)	-	-	-	-	(188)	-	(188)
Change in non-controlling interest		-	-	-	-	-	-	-	(1,603)	(1,603)
Balance at December 31, 2013		$ 6,759,272	$ 1,247,796	$ 220,944	$ 22,829	$ 1,348,058	$ 44,355	$ 9,643,254	$ -	$ 9,643,254

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

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

	Notes	For the years ended December 31, 2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated profit before tax for the year		$ 1,408,513	$ 1,372,157
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		1,611	1,593
Provision for doubtful accounts	6(3)	5	-
Doubtful accounts as other income	6(3)	-	(4,115)
Loss on inventory market price decline	6(4)	4,678	37,209
Provision (Reversal of) allowance obsolescence of supplies		5,899	(11,009)
Share of loss of associates and joint ventures accounted for under the equity method	6(6)	16,791	4,434
Depreciation	6(7)(22)	437,569	357,884
(Gain) loss on disposal of property, plant and equipment		(3,338)	357
Gain on reversal of impairment loss	6(9)(20)	(3,185)	(5,857)
Amortization	6(22)	9,949	5,384
Employee stock option cost	6(13)	819	-
Interest income	6(19)	(37,646)	(29,797)
Interest expense	6(21)	7,916	29
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Notes receivable		(230)	-
Accounts receivable		(128,194)	6,683
Accounts receivable - related parties		(1,118)	-
Other receivables		(65,196)	(48,317)
Inventories		(647,254)	(441,576)
Prepayments		14,599	(23,369)
Net changes in liabilities relating to operating activities			
Notes payable		35	962
Accounts payable		41,363	(76,176)
Other payables		81,974	45,206
Advance receipts		73,629	(14,763)
Accrued pension liabilities		86	2,723
Other current liabilities		-	(19,804)
Cash generated from operations		1,219,275	1,159,838
Interest received		37,646	29,797
Interest paid		(7,916)	(29)
Income tax paid		(309,532)	(208,053)
Net cash provided by operating activities		939,473	981,553

(Continued)

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

	Notes	For the years ended December 31, 2013	2012
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in pledged time deposits		($ 850)	$ -
Acquisition of investments accounted for under equity method		(107,388)	-
Acquisition of property, plant and equipment	6(27)	(738,918)	(493,806)
Proceeds from disposal of property, plant and equipment		6,984	24,741
Acquisition of intangible assets		(18,215)	(7,905)
Proceeds from disposal of other intangible assets		-	5,046
Increase in prepayment for equipment		(487,112)	(379,479)
Increase in other non-current assets - refundable deposits paid		(988)	(8,503)
Net cash used in investing activities		(1,346,487)	(859,906)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings		426,109	263,676
Decrease in finance lease liabilities		-	(964)
Decrease in refundable deposits received		-	(250)
Payment of cash dividends	6(16)	(779,916)	(631,000)
Decrease in non-controlling interest		(1,603)	(69)
Net cash used in financing activities		(355,410)	(368,607)
Effect of foreign exchange rate changes on cash and cash equivalents		16,840	(11,709)
Decrease in cash and cash equivalents		(745,584)	(258,669)
Cash and cash equivalents at beginning of year	6(1)	3,035,012	3,293,681
Cash and cash equivalents at end of year	6(1)	$ 2,289,428	$ 3,035,012

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

Appendix 5

Proposed Revision of the Rules Governing the procedures for Handling Acquisition and Disposal of Assets

Current Provision	Revision Proposed	Remark
Article 1 Legal Authority These Rules are established pursuant to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies issued by the Financial Supervisory Commission, Executive Yuan (hereinafter "FSC") for the purpose of strengthened assets management and substantial information transparency of the Company. Except as otherwise provided by other laws or regulations, acquisition or disposal of assets by the Company shall be in accordance with these Rules.	**Article 1 Legal Authority** These Rules are established pursuant to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies issued by the Financial Supervisory Commission, (hereinafter "FSC") for the purpose of strengthened assets management and substantial information transparency of the Company. Except as otherwise provided by other laws or regulations, acquisition or disposal of assets by the Company shall be in accordance with these Rules.	The revision is proposed based on the FSC's name change of 1 July 2012 in line with the relevant organizational restructure.
Article 2 Scope of applicability These Rules are applicable to the following assets: 1. (Omitted.) 2. Real estate and other fixed assets. 3. ~ 8. (Omitted.)	**Article 2 Scope of applicability** These Rules are applicable to the following assets: 1. (Omitted.) 2. Real estate (including land, houses and buildings, investment property, easement) and equipment. 3. ~ 8. (Omitted.)	The revision of subparagraph 2 of the first paragraph is proposed under the relevant regulatory change made by the competent authority in line with Taiwan's adoption of the IFRSs where land, houses and building, investment property are included within the scope of real estate with easement also covered as by operation of the IFRSs, easement shall be governed by IAS17 (Leases).
Article 3 Definition The terms as used in these Rules are defined as follows: 1. (Omitted.) 2. Assets acquired or disposed of by way of legal merger, spin-off, acquisition or assignment of shares means those acquired or disposed of by way of corporate merger,	**Article 3 Definition** The terms as used in these Rules are defined as follows: 1. (Omitted.) 2. Assets acquired or disposed of by way of legal merger, spin-off, acquisition or assignment of shares means those acquired or disposed of by way of corporate merger,	1. The revision of subparagraph 2 of the first paragraph is proposed in line with the change of sequence of the paragraphs of Article 156 of the Company Act. 2. Local public companies will introduce the IFRSs

Current Provision	Revision Proposed	Remark
spin-off or acquisition of shares in accordance with the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act or other applicable law(s) or by way of assignment of shares of another company by issuing new shares in accordance with the sixth paragraph of Article 156 of the Company Act (hereinafter "shares assignment"). 3. An interested party means the person as defined in Financial Accounting Standards No. 6 issued by the Accounting Research & Development Foundation. 4. A subsidiary means a company as defined in Financial Accounting Standards No. 5 and 7 issued by the Accounting Research & Development Foundation. 5. Special appraiser means a real estate appraiser or an appraiser who is legally authorized to be engaged in providing the service of appraising real estate and other fixed assets. 6. The date of occurrence of the event means the earliest among the date of execution of the transaction contract, the payment date, the date of execution of a trading order, the title transfer date, the date of the relevant board resolution and the date when the trading counterpart and the transaction value may be ascertained. Notwithstanding, where the competent authority's approval of the investment is required, the date of occurrence of the event shall be the earlier of the earliest among the above dates and the competent authority's approval date. 7. Investment in China means investment made in China in	spin-off or acquisition of shares in accordance with the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act or other applicable law(s) or by way of assignment of shares of another company by issuing new shares in accordance with the eighth paragraph of Article 156 of the Company Act (hereinafter "shares assignment"). 3. An interested party and a subsidiary shall be identified in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers. 4. Special appraiser means a real estate appraiser or an appraiser who is legally authorized to be engaged in providing the service of appraising real estate and equipment. 5. The date of occurrence of the event means the earliest among the date of execution of the transaction contract, the payment date, the date of execution of a trading order, the title transfer date, the date of the relevant board resolution and the date when the trading counterpart and the transaction value may be ascertained. Notwithstanding, where the competent authority's approval of the investment is required, the date of occurrence of the event shall be the earlier of the earliest among the above dates and the competent authority's approval date. 6. Investment in China means investment made in China in accordance with the Regulations Governing The Permission of Investment by Nationals in Mainland Area established by the	into their fiscal system at a phased manner. For securities issuers who adopt the IFRSs to prepare financial reports, interested parties and subsidiaries shall be identified in accordance with the FSC-designated IFRS(s) or the relevant IAS(s). Where financial reports are not prepared in accordance with the IFRSs, the relevant Financial Accounting Standards issued by the Accounting Research And Development Foundation shall govern with respect to identifying interested parties and subsidiaries. It is accordingly proposed that subparagraphs 3 and 4 be combined into subparagraph 3 to provide that an interested party, subsidiary shall be identified in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers. Also, it is proposed that subparagraphs 5 ~ 7 of the first paragraph as currently be re-ordered as subparagraphs 4 ~ 6 with subparagraph 4 revised in line with the IFRSs.

Current Provision	Revision Proposed	Remark
accordance with the Regulations Governing The Permission of Investment by Nationals in Mainland Area established by the Investment Commission, Ministry of Economic Affairs.	Investment Commission, Ministry of Economic Affairs.	
Article 4 Evaluation and Operation 1.Long-, short-term securities: (a). (Omitted.) (b). For the purpose of acquiring or disposing of securities, the Company shall prior to the date of occurrence of the event obtain the most recent financial statements certified or audited by the certified public accountant (hereinafter "CPA") to conduct evaluation of the transaction price proposed. Where the transaction value amounts to 20% or more of the total paid-in capital of the Company or TWD300 million, the Company shall prior to the date of occurrence of the event seek the CPA's expressed opinion on the acceptability of the transaction price proposed, in which case, the CPA shall act in accordance with Auditing Standards No. 20 issued by the Accounting Research And Development Foundation except where the quoted price of the securities to be transacted can activate the market or the securities should be governed by other regulations (if any) issued by the FSC. (c). (Omitted) 2. (Omitted) 3. For the purpose of acquiring or disposing of real estate and other fixed assets by the Company, the work unit to use the proposed real estate and equipment and the relevant responsible unit shall propose in advance a relevant capital expenditure plan setting	**Article 4 Evaluation and Operation** 1.Long-, short-term securities: (a). (Omitted.) (b). For the purpose of acquiring or disposing of securities, the Company shall prior to the date of occurrence of the event obtain the most recent financial statements certified or audited by the certified public accountant (hereinafter "CPA") to conduct evaluation of the transaction price proposed. Where the transaction value amounts to 20% or more of the total paid-in capital of the Company or TWD300 million, the Company shall prior to the date of occurrence of the event seek the CPA's expressed opinion on the acceptability of the transaction price proposed, in which case, the CPA shall act in accordance with Auditing Standards No. 20 issued by the Accounting Research And Development Foundation (hereinafter "ARDF") except where the quoted price of the securities to be transacted can activate the market or the securities should be governed by other regulations (if any) issued by the FSC. (c). (Omitted) 2. (Omitted) 3. For the purpose of acquiring or disposing of real estate and equipment by the Company, the work unit to use the proposed real estate and equipment and the relevant responsible unit shall propose in advance a relevant capital expenditure plan setting	1. Revision of subparagraph 2 of the first paragraph is proposed in line with the proposed removal of the entire subparagraph 3 of the first paragraph of Article 3. 2. Revision of paragraph 3 and subparagraph (d) of paragraph 7 is proposed in line with the proposed revision of subparagraph 2 of the first paragraph of Article 2. 3. The revision, i.e. the exception provided for transactions of intangible assets with government agencies where the requirement of a certified public account's expressed opinion on the acceptability of the proposed transaction price shall not apply, is proposed in line with the relevant regulatory change made by the competent authority in consideration of balance and equity on account of, among others, these factors (A) a government agency seeking to sell its asset must do so by duly conducting bidding or through price competition, (B) the government agency conducting bidding must duly set a government

Current Provision	Revision Proposed	Remark
forth the evaluation of the workability of the proposed transaction based on the purpose and the projected effects and efficacy of the acquisition or disposition proposed and proceed with the relevant matters and necessary control in accordance with Article 6 of these Rules. Where the real estate proposed is to be obtained from an interested party, the acceptability of the transaction terms and so forth shall be evaluated in accordance with Articles 6 and 7 of these Rules and the relevant matters must be duly processed and necessary control must be put in place. 4. (Omitted.) 5. For the purpose of acquiring or disposing of memberships or intangible assets, where the transaction value amounts to 20% or more of the total paid-in capital of the Company or TWD300 million, the Company shall prior to the date of occurrence seek the CPA's expressed opinion on the acceptability of the transaction price proposed, in which case, the CPA shall act in accordance with the Auditing Standards No. 20 issued by the Accounting Research and Development Foundation. 6. (Omitted.) 7. The method and the relevant reference for pricing a proposed acquisition or disposition of asset by the Company must be in accordance with the following in addition to the expert opinion expressed by the special appraiser and the certified public accountant: (a) ~(c) (Omitted.) (d) The transaction value of the proposed acquisition or disposition	forth the evaluation of the workability of the proposed transaction based on the purpose and the projected effects and efficacy of the acquisition or disposition proposed and proceed with the relevant matters and necessary control in accordance with Article 6 of these Rules. Where the real estate proposed is to be obtained from an interested party, the acceptability of the transaction terms and so forth shall be evaluated in accordance with Articles 6 and 7 of these Rules and the relevant matters must be duly processed and necessary control must be put in place. 4. (Omitted.) 5. Except where the transaction being proposed is one with a government agency, for the purpose of acquiring or disposing of memberships or intangible assets, where the transaction value amounts to 20% or more of the total paid-in capital of the Company or TWD300 million, the Company shall prior to the date of occurrence of the event seek the CPA's expressed opinion on the acceptability of the transaction price proposed, in which case, the CPA shall act in accordance with the Auditing Standards No. 20 issued by the Accounting Research and Development Foundation. 6. (Omitted.) 7. The method and the relevant reference for pricing a proposed acquisition or disposition of asset by the Company must be in accordance with the following in addition to the expert opinion expressed by the special appraiser and the certified public accountant:	assessment, namely price manipulation is relatively unlikely to occur, and (C) no opinion expressed by experts is required for real estate transaction with a government agency.

Current Provision	Revision Proposed	Remark
of real estate and other fixed assets shall be determined by reference to the posted present value, present value as appraised, the actual purchasing price or book value of the real estate in the vicinity as well as the price quoted by the supplier. Where the transaction being proposed is the purchase of real estate from an interested party, the transaction value must be calculated in accordance with Article 7 of these Rules in the first place for evaluating the acceptability of the transaction price. (e) ~ (f) (Omitted.) 8. (Omitted.)	(a) ~(c) (Omitted.) (d) The transaction value of the proposed acquisition or disposition of real estate and equipment shall be determined by reference to the posted present value, present value as appraised, the actual purchasing price or book value of the real estate in the vicinity as well as the price quoted by the supplier. Where the transaction being proposed is the purchase of real estate from an interested party, the transaction value must be calculated in accordance with Article 7 of these Rules in the first place for evaluating the acceptability of the transaction price. (e) ~ (f) (Omitted.) 8. (Omitted.)	
Article 6 Assets Evaluation For the purpose of acquiring or disposing of real estate or other fixed assets, where the transaction value amounts to 20% or more of the total paid-in capital of the Company or TWD300 million, the Company shall prior to the date of occurrence of the event obtain the valuation report issued by the special appraiser(s) in advance and act in accordance with the following except in cases where the trading counterpart is a government agency, or the proposed commissioning of construction work to be performed on the land owned or leased by the Company, or the object of the acquisition or disposal is the machinery or equipment for business use: …… (Omitted.)	**Article 6 Assets Evaluation** For the purpose of acquiring or disposing of real estate or equipment, where the transaction value amounts to 20% or more of the total paid-in capital of the Company or TWD300 million, the Company shall prior to the date of occurrence of the event obtain the valuation report issued by the special appraiser(s) in advance and act in accordance with the following except in cases where the trading counterpart is a government agency, or the proposed commissioning of construction work to be performed on the land owned or leased by the Company, or the object of the acquisition or disposal is the equipment for business use: …… (Omitted.)	The revision of the first paragraph regarding other fixed assets and machines and equipment for business purposes is proposed in line with the adoption of the IFRSs.

Current Provision	Revision Proposed	Remark
Article 7 Acquisition of Real Property from Interested Parties 1. (Omitted) 2. Approval procure: For the purpose of acquiring from or disposing of real property to an interested party, or acquiring from or disposing to an interested party of any property other than real estate where the transaction value amounts to 20% or more of the total paid-in capital, 10% or more of the total assets of the Company or TWD300 million or more, the working group shall submit materials on the following matters to the meeting of the Board of Directors for resolution, which resolution must be ratified by the Supervisors, before executing the transaction contract and paying the price: (a) ~(g) (Omitted) The value provided in the preceding paragraph shall be calculated in accordance with paragraph 2 of Article 10 and the one-year term means the year preceding the date of occurrence of the transaction. Where the transaction has been adopted by the meeting of the Board of Directors and ratified by the Supervisors in accordance with these Rules, the transaction may be disregarded for the purpose of the above calculation. Acquisition or disposal of <u>machinery and</u> equipment for business use by and between the Company and its parent company or subsidiary may be approved by the Chairman of the Board of Directors authorized to do so in accordance with the standards determined by the meeting of the Board of Directors, which approval must be ratified by the upcoming meeting of the Board of Directors.	**Article 7 Acquisition of Real Property from Interested Parties** 1. (Omitted) 2. Approval procedure: <u>Except in a case of sale and purchase of government bond, bonds with buy-back/sell-back condition, subscription or redemption of local money market mutual funds,</u> for the purpose of acquiring from or disposing of real estate to an interested party, or acquiring from or disposing to an interested party of any property other than real estate, where the transaction value amounts to 20% or more of the total paid-in capital, 10% or more of the total assets of the Company or TWD300 million or more, the working group shall submit materials on the following matters to the meeting of the Board of Directors for resolution, which resolution must be ratified by the Supervisors, before executing the transaction contract and paying the price: (a) ~(g) (Omitted) The value provided in the preceding paragraph shall be calculated in accordance with paragraph 2 of Article 10 and the one-year term means the year preceding the date of occurrence of the transaction. Where the transaction has been adopted by the meeting of the Board of Directors and ratified by the Supervisors in accordance with these Rules, the transaction may be disregarded for the purpose of the above calculation. Acquisition or disposal of equipment for business use by and between the Company and its parent company or subsidiary may be approved by the Chairman of the Board of Directors authorized to do	1. The proposed exception of the requirement of making reports to the board of directors for approval and for ratification by the supervisor thereafter as provided in the first subparagraph of paragraph 2 is proposed in line with the relevant regulatory change made by the competent authority in consideration that the public company buying/selling government bonds, bonds with a buy-back, sell-back condition or subscribing, redeeming local money market mutual funds from an interested party has relatively low risk in doing so. Where the above exception is invoked, the relevant procedure established by the Company with respect to the scope of the authorization shall govern. 2. The revision of the third subparagraphs of paragraph 2 regarding machine and equipment for business purpose is proposed in line with the adoption of the IFRSs. 3. The revision of paragraph 3(b) is proposed in consideration of a contract engaging an interested party as the contractor to construct building on self-owned land or leased land being similar in nature to a joint construction contract.

Current Provision	Revision Proposed	Remark
…… (Omitted.) 3. Evaluation of acceptability of transaction terms (a) (Omitted.) (b) Acquisition of real estate from an interested party in any of the following shall be in accordance with paragraph 2 of this Article instead of the preceding subparagraph: (i) The interested party acquired the proposed real estate as inheritance or gift. (ii) The execution date of the contract by which the interested party acquired the proposed real estate is five years or more apart from the execution date of the contract by which the same real estate is to be acquired by the Company. (iii) The Company is to acquire the proposed real estate by virtue of a joint construction contract by and between the Company and the interested party. 4. ~ 5. (Omitted.)	so in accordance with the standards determined by the meeting of the Board of Directors, which approval must be ratified by the upcoming meeting of the Board of Directors. …… (Omitted.) 3. Evaluation of acceptability of transaction terms (a) (Omitted.) (b) Acquisition of real estate from an interested party in any of the following shall be in accordance with paragraph 2 of this Article instead of the preceding subparagraph: (i) The interested party acquired the proposed real estate as inheritance or gift. (ii) The execution date of the contract by which the interested party acquired the proposed real estate is five years or more apart from the execution date of the contract by which the same real estate is to be acquired by the Company. (iii) The Company is to acquire the proposed real estate by virtue of a joint construction contract by and between the Company and the interested party<u>, or a construction contract where the interested party is to act as the contractor to construct building(s) on self-owned land or leased land</u>. 4. ~ 5. (Omitted.)	Under the revision proposed, the requirement of evaluating the acceptability of the transaction cost of acquiring real estate from an interested party as provided in paragraphs 3(a), 4 and 5 does not apply, provided that the transaction proposed must still be conducted in accordance with paragraphs 1 and 2.
Article 8 Control and management of derivatives transactions 1. ~ 3. (Omitted.) 4. Conducting Regular evaluation and addressing irregularities (a) ~ (d) (Omitted.) (e) Where the derivatives transaction of the Company is conducted by the relevant personnel authorized to do so in accordance with these Rules, a	**Article 8 Control and management of derivatives transactions** 1. ~ 3. (Omitted.) 4. Conducting Regular evaluation and addressing irregularities (a) ~(d) (Omitted.) (e) Where the derivatives transaction of the Company is conducted by the relevant personnel authorized to do so in accordance with these Rules, a	The revision of subparagraph (5) of paragraph 4 is proposed to designate the time (i.e. upcoming board meeting) when a post-transaction report must be supplemented to the meeting of the board of directors in consideration of the absence of a

Current Provision	Revision Proposed	Remark
report on the transaction must be supplemented to the meeting of the board of directors.	report on the transaction must be supplemented to the <u>upcoming</u> meeting of the board of directors.	defined time limit under the Guidelines for Derivatives Trading by Public Companies prescribed by the competent authority for the duly authorized personnel of a public company conducting derivatives trading for the company to follow with respect to making the relevant report to the meeting of board of directors.
Article 10 Public disclosure and reporting 1. Where the acquisition or disposal of assets by the Company proposed belongs to any of the following, the Company shall publicly disclose the relevant information within two days from the date of occurrence by posting them on the FSC-designated website according to the relevant form and substance required: (a) Acquisition from or disposing of real estate to an interested party, or acquiring from or disposing to an interested party of any property other than real estate where the transaction value amounts to 20% or more of the total paid-in capital, 10% or more of the total assets of the Company or TWD300 million or more except for the sale and purchase of government bond <u>or</u> any bond with a buy-back, sell-back condition. (b) A merger, spin-off, purchase or acquisition of stocks by assignment. (c) A derivatives transaction the loss incurred from which transaction amounts to the relevant general or individual cap amount provided in the contracts governed by these Rules.	**Article 10 Public disclosure and reporting** 1. Where the acquisition or disposal of assets by the Company proposed belongs to any of the following, the Company shall publicly disclose the relevant information within two days from the date of occurrence by posting them on the FSC-designated website according to the relevant form and substance required: (a) Acquisition from or disposing of real estate to an interested party, or acquiring from or disposing to an interested party of any property other than real estate where the transaction value amounts to 20% or more of the total paid-in capital, 10% or more of the total assets of the Company or TWD300 million or more except for the sale and purchase of government bond<u>,</u> any bond with a buy-back, sell-back condition<u>, subscription or redemption of local money market mutual fund</u>. (b) A merger, spin-off, purchase or acquisition of stocks by assignment. (c) A derivatives transaction the loss incurred from which transaction amounts to the relevant general or individual cap amount provided in	1. The exception proposed to be provided in paragraphs 1.(a) and 1.(d)(iii) is proposed by reference to the relevant regulations applicable to bonds with a buy-back, sell-back condition in line with the relevant regulatory change made by the competent authority in consideration of, among others, these factors: (A) local money market mutual funds as opposed to stock mutual funds, bonds mutual and other types of mutual funds are substantially applied to bank savings, transaction on condition to buy-back and short-term bond, (B) local money market mutual funds, from which regular interest income is sought for by investors, is similar to bonds with a buy-back, sell-back condition. 2. The revision of paragraph 1. (d)(iv) regarding machines and

Current Provision	Revision Proposed	Remark
(d) An asset transaction other than those provided in the preceding three paragraphs or an investment project in China of which the transaction value amounts to 20% or more of the total paid-in capital of the Company or TWD300 million except in cases where the transaction proposed is (i) The sale and purchase of government bonds. (ii) The sale and purchase of negotiable securities by special investment business on the stock exchange or securities houses at home or abroad. (iii) The sale and purchase of bonds with a buy-back or sell-back condition. (iv) The acquisition or disposal of machinery equipment for business use where the trading counterpart is not an interested party and the transaction value of which is less than TWD500 million. (v) The acquisition of real estate the transaction value of which acquisition payable by the Company amounts to less than TWD500 million and which acquisition will be conducted through the commissioning of construction work to be performed on the land owned or leased by the Company or a joint construction project with the Company to share and own certain units or percentage title ownership of the building, or a joint commissioned construction project with the building to be sold in different lots. 2. ~5. (Omitted.)	the contracts governed by these Rules. (d) An asset transaction other than those provided in the preceding three paragraphs or an investment project in China of which the transaction value amounts to 20% or more of the total paid-in capital of the Company or TWD300 million except in cases where the transaction proposed is (i) The sale and purchase of government bonds. (ii) The sale and purchase of negotiable securities by special investment business on the stock exchange or securities houses at home or abroad. (iii) The sale and purchase of bonds with a buy-back or sell-back condition, subscription or redemption of local money market mutual fund. (iv) The acquisition or disposal of equipment for business use where the trading counterpart is not an interested party and the transaction value of which is less than TWD500 million. (v) The acquisition of real estate the transaction value of which acquisition payable by the Company amounts to less than TWD500 million and which acquisition will be conducted through the commissioning of construction work to be performed on the land owned or leased by the Company, or a joint construction project with the Company to share and own certain units or percentage title ownership of the building, or a joint commissioned construction project with the building to be sold in different lots. 2. ~5. (Omitted.)	equipment for business purpose is proposed in line with the adoption of the IFRSs.

Current Provision	Revision Proposed	Remark
Article 13　Other important matters 1. ~ 5. (Omitted.)	**Article 13　Other important matters** 1. ~5. (Omitted.) 6. The accounting for 10% of the total asset standard provided in these Rules shall be calculated according to the total asset value set forth in the most recent parent or individual financial report prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. 7. Where the share of the company bears no par value or bears a par value in an amount other than TWD10, the accounting for 20% of the paid-in capital standard provided in these Rules shall be calculated as 10% of the owner's equity of the parent company.	1. Under the IFRSs, consolidated financial statements shall be the principal item of disclosure and reporting. However, in view of the reality that the risk arising from the acquisition or disposition of assets will be borne by the acquiring or disposing company, whether or not a proposed transaction with an interested party accounts for one with substantial value must be determined in consideration of (among other things) the operation scale of the company.　It is therefore proposed that a paragraph 6 be added to this Article to expressly provide that the accounting for 10% of total assets be calculated according to the total asset value indicated in the most recent financial report of the entity concerned or the most recent separate financial report. 2. It is proposed that the provision of the original Article 13-1 be moved up to this Article as paragraph 7.　Also, in line with the adoption of the IFRSs and the removal of the TWD10 par value provided in Article 14 of the Regulations Governing the Administration of Shareholder Services of Public Companies, it is

Current Provision	Revision Proposed	Remark
		proposed that the word foreign be removed and the term shareholders' equity be revised to equity which is further expressly defined (as proposed) as the owners' equity of the parent company.
Article 13-1 <u>Foreign Company Stocks</u> <u>For the purpose of acquisition or disposal of non-par value stocks or stocks with a par value other than TWD10 per share of a foreign company, the threshold amount of 20% of the paid-in capital provided in Article 6, paragraphs 1.(b) and 5 of Article 4, paragraph 2 of Article 7, Article 10 and paragraph 3 of Article 11 shall be calculated replaced with the amount of 10% of the shareholders' equity.</u>	**Article 13-1 <u>(Deleted.)</u>**	Removal of this Article is proposed in light of the relevant regulatory change where foreign company stocks are no longer the sole object of regulation. Further revision is proposed that the original provision of this Article be combined with that of Article 13 with related revision reflected in paragraph 7 of Article 13.
Article 14 Adoption and Amendment These Rules were adopted by the shareholders meeting of 25 September 2009 with subsequent amendment adopted by the shareholders meetings of 13 June 2012、21 June 2013.	**Article 14 Adoption and Amendment** These Rules were adopted by the shareholders meeting of 25 September 2009 with subsequent amendment adopted by the shareholders meetings of 13 June 2012、21 June 2013 and <u>________________ 2014.</u>	The revision is proposed to bring up to date the history of amendments to these Rules.

IV. Exhibits

Exhibit 1

ScinoPharm Taiwan, Ltd.
Rules Governing Shareholders Meetings

Adopted by the Shareholders Meeting of 21 June 2013

Article 1
These Rules are established for the purpose of good governance of the meeting of the shareholders, healthy supervision and strengthened control of the Company.

Article 2
The meeting of the shareholders of the Company shall be in accordance with these Rules except as otherwise provided by laws, regulations or the Articles of Incorporation of the Company.

Article 3
(Deleted.)

Article 4
(Deleted.)

Article 5
Except as otherwise provided by laws or regulations, the meeting of the shareholders of the Company shall be convened by the Board of Directors.

The 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.

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.

The (personal) notice and the public notice of the shareholders meeting both shall manifestly indicate the cause of the meeting and may, subject to the prior consent of the shareholder concerned, be delivered to the shareholder electronically. Proposed election, removal of a director or supervisor, proposed revision of the Articles of Incorporation, proposed dissolution, merger, division of the Company or any of the matters provided in paragraph one of Article 185 of the Company Act, Article 26-1 or Article 43-6 of the Securities And Exchange Act (if any) must be listed in the proposed agenda and cannot be proposed by way of an extempore motion at the meeting.

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

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

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

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

Article 6
The venue of the shareholders meeting shall be located at the place where the Company is located or where it is appropriate and convenient for the shareholders to attend the meeting. The meeting shall begin no earlier than the hour of 09:00 and no later than the hour of 15:00. The venue and time of the shareholders meeting shall be determined in consideration of the relevant opinion expressed by the independent director(s), if any, of the Company.

Article 7
The shareholder may designate a proxy to attend the shareholders meeting in his/her stead by execute the proxy letter form produced by the Company indicating therein the scope of authorization to the proxy.

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

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

Article 8
The Company shall indicate in the notice of shareholders meeting the hour when and the place

where the shareholders shall check-in to attend the meeting and other matters for attention.

The 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.

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

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

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

Article 9

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

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

The shareholders meeting convened by the Board of Directors must be attended by the majority of the directors.

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

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

Article 10

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

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

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

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

Article 11
The Company shall take video and sound recording of the whole proceeding of the shareholders meeting.

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

Article 12
The agenda of the shareholders meeting convened by the Board of Directors shall be compiled and produced by the Board of Directors. The meeting shall proceed strictly in accordance with the agenda except as otherwise changed by the relevant resolution adopted by the shareholders meeting.

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

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

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

Article 13

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

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

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

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

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

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

Article 14

The shareholder will have one vote on each share. Notwithstanding, the holder will have not voting right on any of the following shares held:

1. Shares of the Company duly held by the Company;

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;

Article 15

The voting at the shareholders meeting shall be counted according to the number of shares represented by the votes received.

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

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

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

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

Article 16
The voting right of the shareholder may be exercised in writing or electronically, 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.

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

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

Article 17
Except as otherwise provided by the Company Act, the resolution of the shareholders meeting must be adopted by the majority votes represented at the meeting. When a proposal is submitted for voting by the meeting, the chairperson or the relevant personnel appointed by the chairperson shall announce in advance the total amount of votes accountable to be voted on the issue.

On each issue submitted for resolution by the meeting, the chairperson or his/her designated personnel shall 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.

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.

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

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

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

Article 18
The election (if any) of the director(s) and/or supervisor(s) of the Company at the shareholders meeting shall be in accordance with the relevant bylaw of the Company and the result of the election shall be announced at the meeting including the name of each director elect, each supervisor elect and the amount of votes for them each.

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

Article 19
The resolutions adopted by the shareholders meeting shall be recorded in writing, which meeting minutes shall be signed or sealed by the chairperson and distributed to the shareholders each within twenty (20) days after the meeting. The meeting minutes may be produced and distributed electronically.

The above meeting minutes may be distributed to the shareholder by public notice.

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.

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.

Article 20
The Company shall calculate and compile a statement on the number of shares to be represented at the meeting by the proxy solicitors and the proxies respectively and have the statement produced manifestly displayed at the meeting in accordance with the required from and

substance.

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

Article 21
The meeting affairs personnel working at the shareholders meeting shall each wear a working staff identification badge or arm-band indicating so.

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

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

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

Article 22
The chairperson may announce to recess the meeting in the process of the meeting. In the event of force majeure, the chairperson may decide to temporarily suspend the meeting and, if necessary, announce the time when the meeting shall be resumed.

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

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

Article 23
Provisions of these Rules applicable to Supervisors shall apply to the Audit Committee of the Company (if any) with necessary and appropriate alterations.

Article 24
These Rules and all subsequent amendments shall come into force on the relevant resolution adopted by the shareholders meeting.

Exhibit 2

ScinoPharm Taiwan, Ltd.
Articles of Incorporation

Chapter 1 General Provisions

Article 1

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

Article 2

The business items of the Company are as follows:

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

<<1. Research, development, production, manufacture and distribution of the following products: (1) generic APIs, (2) protein drugs, (3) oligonucleotide, (4) peptide, (5) injection formulation, (6) small-molecule new drugs.
2. Consulting, advisory and technical services relating to the above products.
3. International trade in connection with the above products.>>

Article 3

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

Article 4

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

Article 5

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

Chapter 2 Capital

Article 6

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

Article 7
All of the shares of the Company are registered shares each bearing the signature or seal of three or more Directors of the Company and shall be issued upon certification thereof by the competent authority or its authorized registrar. The Company may elect not to produce the share certificate on the shares issued, provided that the Company must complete the registration of the issued shares with the securities central depository institution.

Article 8
All of the shares of the Company are registered shares. The individual shareholder will have his/her personal name and address and the corporate shareholder will have its corporate designation and its legal representative's personal name and address recorded in the Company's shareholders roster. Joint shareholders of the share (if any) shall elect one among themselves for the purpose of the above recordation in the shareholders roster.

Article 9
The shareholder or the legal holder of the share certificate lost or destroyed shall make a report to the police upon information of the loss or destruction and fill out the relevant request form to have the loss or destruction of the share certificate registered with the Company. The shareholder or the legal holder shall at the same time file a request with the competent district court to have a relevant public notice made pursuant to the Taiwan Code of Civil Procedure and present the court judgment on the exclusion of rights in the share(s) affected to the stock affairs agency of the Company to request for re-issuance of the share certificate.

Article 10
The stock affairs agency of the Company may collect reasonable procedural charges on each request for re-issuance of share certificate on account of the transfer, division of the share or the loss, damage or destruction of the share certificate.

Article 11
The shareholder shall disclose his/her/its legal name and address of his/her/its domicile to the stock affairs agency of the Company and fill out and deliver the specimen card of his/her/its seal to the Company for record.

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

Article 12
The shareholder who lost his/her/its seal the specimen of which is imprinted in the seal specimen card kept by the Company for record shall give a written notice to the Company upon information of the loss and issue a request to the stock affairs agency of the Company to have his/her/its new seal registered.

Article 13
Transfer of shares of the Company will cease for a period of thirty (30) days prior to the general shareholders meeting, fifteen (15) days prior to the extraordinary shareholders meeting, and five (5) days prior to the start date of distribution of dividend, bonus or other interests in the shares held. Subject to the public offering of the Company, the Company shall cease the transfer of shares of the Company within a period of sixty (60) days prior to the general shareholders meeting and thirty (30) days prior to an extraordinary shareholders meeting.

Chapter 3 Shareholders Meeting

Article 14
The meeting of the shareholders of the Company will be the general shareholders meeting to be convened by the Board of Directors each year within six (6) months after the end of that fiscal year or an extraordinary shareholders meeting to be duly convened from time to time when necessary.

Article 15
The meeting of the shareholders of the Company shall be convened in accordance with the Company Act, Securities And Exchange Act, and the relevant laws and regulations according to the public announcement or notice issued by the competent securities authority.

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

Article 16
Except as otherwise provided by the Company Act, the shareholders meeting must be attended by the shareholders whose total shares held represent the majority of the total issued shares of the Company. The resolution of the shareholders meeting must be adopted by the majority of the votes represented at the meeting.

Article 17
Except those subject to restrictions or in one of events provided in Article 179 of the Company Act, the shareholder of the Company will have one vote on each share held.

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

Article 18
The shareholder who for whatever reason is unable to attend the shareholders meeting in person may designate a proxy to attend and act in his/her stead at the meeting by executing the proxy letter form prepared by the Company specifying the scope of authorization to the proxy. The proxy designated may be a non-shareholder of the Company. Subject to the public offering of the Company, designation of proxies for the purpose of the shareholders meeting of the Company shall be in accordance with the Regulations Governing Use of Proxy Letters to Attend The Shareholders Meetings of Public Companies.

Article 19
The meeting of the shareholders of the Company shall be convened by the Board of Directors and presided by the Chairman/Chairwoman of the Board of Directors. If he/she has requested for leave from the meeting or is for whatever reason unable to attend and exercise his/her powers and duties at the meeting to, the Chairman/Chairwoman shall designate a Director to act in his/her stead. Absent the above designation by the Chairman/Chairwoman, the Directors shall elect one from among themselves to act as the chairperson of the meeting. Where the shareholders meeting is not convened by the Board of Directors, the meeting shall be presided by the person who convened the meeting.

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

Article 20

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

Article 21

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

Chapter 4 Directors

Article 22

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

Article 23

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

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

Directors are to be elected by the shareholders meeting from among the candidates nominated.

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

Article 24

The Directors each of the Company will serve an office term of three years and may be re-elected. Subject to the relevant resolution adopted by the meeting of the Board of Directors, liabilities insurance will be procured for the Director elect. Subject to the public offering of the Company, the total shareholding of the Directors and the Supervisors of the Company as a whole shall be in accordance with the Company Act and the regulations prescribed by the competent securities authority.

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

Article 25
The Directors shall elect one from among themselves to act as the Chairman/Chairwoman of the Board of Directors of the Company.

Article 26
The Chairman/Chairwoman of the Board of Directors shall externally represent the Company and internally preside the shareholders meetings and the meetings of the Board of Directors.

Article 27
The meeting of the Board of Director shall be convened by the Chairman/Chairwoman of the Board of Directors except the first meeting of a new Board of Directors that shall be convened by the Director who won the highest vote of all Directors elect. A written notice of the meeting of the Board of Directors shall be issued by facsimile or by email to the Directors each at least seven (7) days prior to the scheduled meeting date, which notice shall explicitly indicate the scheduled date, venue and agenda of the meeting. In the event of urgency, the meeting of the Board of Directors may be convened at any time with or without the above notice being issued.

Article 28
The meeting of the Board of Directors shall be presided by the Chairman/Chairwoman of the Board of Directors. If he/she is for whatever reason unable to preside the meeting, he/she shall designate a Director to act in his/her stead. Absent the above designation, the Directors shall elect one from among themselves to preside the meeting in deputy.

Article 29
The Directors shall vote to approve or disapprove and exercise their powers and duties with respect to the matters proposed on the agenda at the relevant meeting of the Board of Directors which shall be convened at least once every three months. Except as otherwise provided by the Company Act, the resolution with respect to the revision of these Articles of Incorporation as provided in subparagraph (1) below must be adopted by three fourths (3/4) or more of all of the Directors of the Company and with respect to other matters by two thirds (2/3) or more of all of the Directors of the Company:

(1) Revision of these Articles of Incorporation.
(2) Contract with a proposed value equal to or exceeding the relevant authorized amount (which authorized amount is to be defined by the Board of Directors authorized to do so).
(3) Major capital expenditure not included in the relevant approved budget with a proposed sum equal to or exceeding the relevant authorized amount (which authorized amount is to be defined by the Board of Directors authorized to do so), which proposed sum cannot be divided into smaller amounts to obtain easy approval and which proposed sum as approved cannot be divided for spending.
(4) Establishment of company bylaws with respect to the handling of transactions where the Company is to externally provide guaranty, endorsement, accept to honor, commit, advance payments, provide lending, procure loan, sell account receivables.

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

Article 30
The Director may issue a written proxy to designate another Director to attend the meeting of the Board of Directors and exercise his/her voting right on all proposed matters at the meeting in his/her stead; provided that a Director may act as the proxy for one and only one of the other Directors.

Article 31
The resolutions adopted by the meeting of the Board of Directors shall be recorded in the minutes of the meeting, which meeting minutes must be signed or sealed by the Chairman of the Board of Directors or the chairperson of the meeting with a copy thereof distributed to the Directors each. The meeting minutes shall be kept by the Company together with the relevant attendance book and written proxies received.

Article 32
The functions, powers and duties exercised by Supervisors under the Company Act, Securities And Exchange Act and other laws and regulations shall apply to the Audit Committee with necessary and appropriate alterations upon the establishment of the Audit Committee.

Article 33
The Company may establish various functional boards or committees under the relevant organization rules to be prescribed by the meeting of the Board of Directors in accordance with the relevant laws and regulations.

Article 34
The Board of Directors may have a number of secretaries or assists to take charge of keeping the minutes of the meetings of the Board of Directors and the shareholders meetings and all of the important documents, contracts, agreements and instruments of the Company.

Article 35
The Company shall be liable and reimburse for the loss incurred in the course of the Director's performance of his/her functions and duties, which loss is not attributable to the same Director. For the purpose of protecting the Company from the above liability, the Company shall procure liabilities insurance for the Directors each by reference to the coverage commonly adopted by the trade home and abroad.

Chapter 5 Managerial Officers

Article 36
The Company may have a general manager a number of deputy general managers and managers. The general manager and the deputy general manager shall be appointed / dismissed by the meeting of the Board of Directors. The managers each shall be appointed / dismissed by the general manager, which appointment / dismissal shall be reported to the Board of Directors for reference.

Article 37
The general manager acting in accordance with the instruction of the Chairman of the Board of Directors shall take general charge of the day-to-day affairs of the Company and supervise, carry out and manage the operation of the Company.

Article 38
The Company shall be held liable and reimburse for the loss incurred in the course of the general manager's and the deputy general manager's performance of their functions and duties, which loss is not attributable to him/her. For the purpose of protecting the Company from the above liability, the Company shall procure liabilities insurance for the general manager and the deputy general manager each by reference to the coverage commonly adopted by the trade home and abroad.

Chapter 6 Fiscal Reports

Article 39
The Company shall produce and present the following statements and documents after the end of each fiscal year to the meeting of the Board of Directors for adoption and thereafter to the general shareholders meeting for ratification:
(1) Business report.
(2) Financial statements.
(3) Proposed earnings distribution plan or loss makeup plan.

Article 40
In consideration of the changeable environment of the Company's business, the Board of Director shall take into account the Company's future capital expenditures and capital calls to determine the proposed amounts of the reserved earnings, the distributable earnings, and the cash dividend when drawing up the proposed earnings distribution plan.

Ten percent (10%) of the Company's surplus as of the final accounting of the fiscal period net of the business income tax payable for the period, makeup for the loss accumulated from previous year(s) shall be allocated for legal reserves. The balance (if any) less the duly allocated or transferred amount for special reserve will be the earnings distributable of the period and the sum of said balance combined with the undistributed earnings carried forward from the previous period will be the accumulative earnings distributable, fifty percent to one hundred percent (50%~100%) of which sum will be the total amount of dividend to be distributed to the shareholders of the Company with 30% or more thereof distributed in cash. Subject to the relevant resolution adopted by the shareholders meeting, the accumulative earnings distributable will be distributed according to the distribution plan proposed by the Board of Directors, provided that two percent (2%) thereof shall be paid to the Directors for remuneration payable and not less than zero point two percent (0.2%) thereof shall be distributed as employees bonus.

Chapter 7 Supplemental Provisions

Article 41

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

Article 42

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

ScinoPharm Taiwan, Ltd.
Kao-Huei Cheng
Chairman of the Board of Director

Exhibit 3

Impact on the business performance, EPS and ROE of the Company from the dividend shares and proposed distribution of bonus to employees and remuneration to directors and supervisors as adopted by the Board of Directors

With respect to the impact on the business performance, EPS and ROE of the Company from the dividend shares:

Pursuant to the letter of 1 February 2000 issued by the Securities And Futures Commission, Ministry of Finance (ref. (89)-Tai-Cai-Zheng-(1)-Zi No. 00371, as the Company did not produce and publish the financial forecast on fiscal year 2014, the Company is not required to make disclosure in this regard.

With respect to the proposed distribution of bonus to employees and remuneration to directors and supervisors as adopted by the Board of Directors:

Pursuant to the letter of 30 March 2007 issued by the Financial Supervisory Commission, Executive Yuan (ref. Jin-Guan-Zheng-Liu-Zi No. 0960013218), the earnings of the Company according to the proposed distribution plan adopted by the meeting of the Board of Directors will be distributed as follows:

1. A sum of TWD 2,292,955 will be distributed to employees as cash bonus. A sum of TWD 22,929,542 will be paid to directors and supervisor as remuneration. It is proposed that the bonus distributable to employees in any given fiscal period be distributed in cash.

2. An estimate of TWD2,292,966 was allocated in 2013 to be distributed to employees as bonus; an estimate of TWD22,929,664 was allocated (based on the final accounting of the loss and profit of the Company) for remuneration payable to directors and supervisors. The difference between the above estimate and the actual sum distributed in accordance with the resolution adopted by the shareholders meeting will be accounted for as the profit or loss incurred by the Company in 2014.

Exhibit 4

Required Minimum Shareholding And Shareholding by Directors

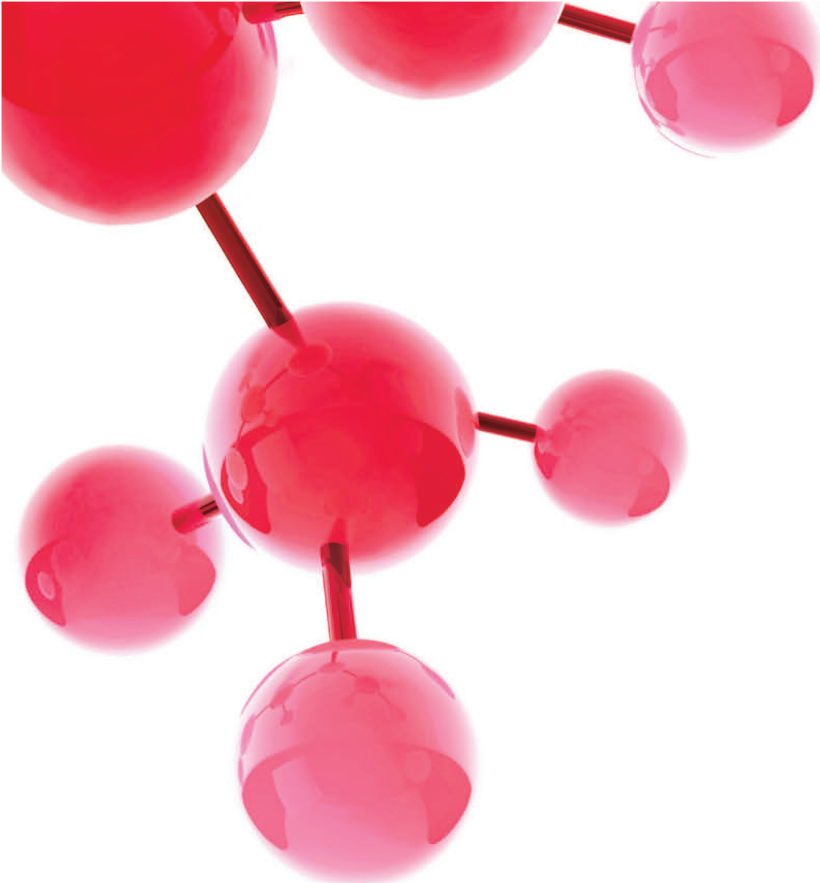
1. According to Article 26 of the Securities And Exchange Act, the total amount of shares held by the directors of the Company as a whole shall account for no less than 21,629,670 shares.
2. According to the Company's shareholders register as of the suspension of transfer of the shares of the Company for this general shareholders meeting, the shareholding of the directors each is detailed as follows:
   As of 20 April 2014

Title	Name	Amount of shares held
Chairman of the Board of Directors	Uni-President Enterprises Corp. Representatives: Kao-Huei Cheng	256,414,451
Director	Uni-President Enterprises Corp. Representatives: Chih-Hsien Lo, Chang-Sheng Lin , Lung-Yi Lin, Tsung-Ming Su	256,414,451
Director	National Development Fund, Executive Yuan Representatives: Tian-Shung Wu, Po-Wu Gean	93,634,409
Director	Tainan Spinning Co., Ltd. Representative: Chien-Li Yin	20,178,441
Director	Kao Chyuan Investment Co., Ltd. Representative: Shiow-Ling Kao	12,679,085
Director	President International Development Corp. Representative: Chiou-Ru Shih	24,510,163
Director	Taiwan Sugar Corporation Representative: Chin-Jung Yang	27,851,200
Director	Jo Shen	3,890,468
Independent Director	Ih-Jen Su	–
Independent Director	Wei-Cheng Tian	87,312
Independent Director	Wei-Te Ho	–
Total		**439,245,529**

Notes:

(1) Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies stipulates that "if a public company has elected two or more independent directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all directors and supervisors other than the independent directors shall be decreased by 20 percent."

(2) As the Company has set up an audit committee, provisions with regard to minimum shareholdings required of supervisors are not applicable.



ScinoPharm

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