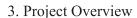
Part 2

Hi-tech Industry (ICT, Cloud Computing, WiMAX and Precision Machinery Industry)

2-1 Taiwan-India Cloud Computing Industry Cooperation Plan

■ Basic Project Information

- 1. Project Category: D1
- 2. Authority in Charge: Ministry of Economic Affairs





Cloud computing is currently the hottest talk among the ICT industry, and the talk has turned into action as advanced countries have put in efforts in both technology development and infrastructure implementation for this unmistakable trend. To meet this trend, the project calls for collaboration between India and Taiwan to leverage strengths from both countries and combine the efforts to create competitive cloud solutions for the world. The project can be realized in different ways. Indian companies will be invited to invest more resources in Taiwan while working with domestic industry to develop cloud technologies and network services platform. A cloud datacenter can be created utilizing Taiwan's cloud hardware manufacturing industry. Establishment of a foreign research and development center can also be created to combine the research, technological capabilities and know-how to foster domestic innovation, strengthen competitiveness and paving path to march into the international market.

(2) Estimated Total/Private Investment Amount:

Cumulated investment of NTD\$100 million over the next three years (2011-2013).



- (3) Project Schedule: 2011 ~ 2013 years
- (4) Forecasted business opportunities, revenue sources and ROI:

 Through the collaboration of the R&D center, cloud computing operation center, building IDC, opportunities can be found by combining solutions from both India and Taiwan. With India's assistance in designing domain appliances, help domestic software vendors combining software plus hardware made in Taiwan, revenue and profits are expected to increase and sales channel will open up. Furthermore, the plan will help drive the domestic software, hardware, and cloud computing industry products and services. An estimated of additional NTD \$350 million in investment will be drawn in from this plan.

■ Investment Conditions

- 1. The scope and requirements of private sector
- (1) Scope of work: The Program aims to propel Taiwan into a technology independent nation for cloud computing systems, applications, integration and operations. Following the Executive Yuan 'Cloud Computing Development Programs', Taiwan will accelerate the grasp on key cloud computing technical capacity and to build a complete industry chain. The projects focus on key technology research and development project planning and schedule. Completion of the projects encompasses the completion of cloud system development, construction of cloud service platform, and the commercialization of the developed technologies and service.
- (2) Applications will undergo review processes. Once approved, notification will be sent to the applicants to request for the completion of the process.
- 2. Eligibility
- (1) Legally established under foreign law by foreign companies and existing legally established and existing in Taiwan branch of.
- (2) Company Law in accordance with its established and existing companies and for foreign companies dependent companies

■ Laws, regulations and incentives

- 1. Laws & regulations barrierto overcome: None
- 2. Investment incentives:

Encourage Establishment of Foreign Enterprise R&D Center in Taiwan Program

■ Application Process

- According to the rules within Encourage Establishment of Foreign Enterprise
 R&D Center in Taiwan Program of Ministry of Economic Affairs
- 2. Application & schedule: Refer to the application instructions or participate in application workshops.

■ Contact Window Information

1. Contact Agency: Ministry of Economic Affairs

2. Contact Person: Po-Wei Chen

3. Position: Researcher

4. Phone: 886-2-23946000 ext 2563

5. Email: pwchen@moea.gov.tw

2-2 WiMAX Development Opportunities in Taiwan

■ Basic Project Information

1. Project Category: C8. WiMAX

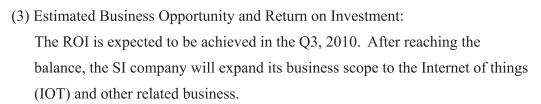
2. Authority in Charge: IDB, MOEA

3. Project Overview

(1) Project Scope/Content:

A 4G System Integration (SI) company that leverages Taiwan's strength in all aspects of 4G/WiMAX technologies and delivers total solutions to serve world-wide Broadband Wireless Access (BWA) needs.

(2) Estimated Total/Private Investment Amount: US\$37.5M



■ Investment Conditions

- 1. Location Conditions: Office building
- 2. Scope and Duration of Concession Rights:
- 3. Scope and Requirements of Work by Private Entities:
- 4. Qualifying Criteria for Applicants: Investing companies needs to own a core network, IT technologies, and the ability to roll out global solutions; no matter if they are manufacturing, IT, or telecom operators, all are welcome.
- 5. Support from Government:
- (1)DoIT's support and approval for the technology and know-how transfer from ITRI and other research institutes.
- (2)MOTC and High-Speed Rail (HSR) company support to plan, build out, and release resources for the WiMAX network.
- (3)MOEA's support: DoIT and IDB endorse the SI company and will contribute to the SI development of crucial key core technology; these solutions need to be ready in the early stage of SI company.



(4)National Development Fund (NDF) investment injection is needed.

6. Other Related Information: N/A

■ Contact Window Information

1. Contact Agency: Industrial Development Bureau

2. Contact Person: Mr. Chung-Pin Chou

3. Position: Section Chief

4. Phone: 886-2-2754-1255 ext. 2211

5. Email: cbjou@moeaidb.gov.tw

2-3 Beitou-Shilin Tech Park

■ Basic Project Information

1. Project Category:

i-Taiwan 12 Projects [Industrial Innovation Corridors]

2. Authority in Charge:Taipei City Government

- 3. Project Overview
- (1) Project Scope/Content/Location:

Implementing "Creation of Superficies" model to invite private participation for developing knowledge driven and hi-tech economy

Location: Beito, Shihlin districts

- (2) Estimated Total/Private Investment Amount: (USD: million) Unfixed
- (3) Estimated Business Opportunity and Return on Investment:

■ Investment Conditions

- 1. Scope and Duration of Concession Rights: N/A
- 2. Scope and Requirements of Work by Private Entities: N/A
- 3. Qualifying Criteria for Applicants: N/A
- 4. Support from Government:

 Available subsidies and incentives, assistance in application
- 5. Other Related Information: N/A

■ Contact Window Information

1. Contact Agency: Taipei City Government

2. Contact Person: T. M. Kuo

3. Position:Revenune Assessor

4. Phone: 886-2-8780-7056 ext 109

5. Email: gz-21002@mail.taipei.gov.tw

6. Website for more detailed project information:



2-4 Taoyuan High-Tech Industrial Park

■ Basic Project Information

- Project Category: High-tech industry; green energy & environmental industry
- 2. Authority in Charge:
- 3. Project Overview
 - (1) Project Scope/Content/Location:
 - a. Introduction Taoyuan Science and Technology Park

Taoyuan Science and Technology Park is located in the Gold Coast district of Guanyin Township in Taoyuan County. With a development area of 275 hectares, it offers comprehensive industrial park facilities for the development of high-tech industries in a coastal ecology setting.

The Park sits at a hub of sea and land transport. It is crossed by the West Coast Expressway from north to south, with an East-West Expressway connecting it directly to the No. 1 and No. 2 National Highways. It is only a 15-minute drive from the Park to Taoyuan International Airport, and a 20-minute drive to the Taoyuan Qingpu Station of the Taiwan High Speed Rail (THSR). The Asia-Pacific shipping hub of Taipei Commercial Port lies just 40 kilometers away.

In its beautiful coastal setting, surrounded by splendid natural landscape, the Park offers superb advantages for integrated land, sea and air transport, with boundless potential for development.

(2) Land Information

- a. Management and Business Service Area: $384USD \sim 471USD$ per m² (14.49 hectares of land available for purchase).
- b. Residential Area: 14 hectares (102 lots) available for purchase at $307USD \sim 411USD$ per m².
- c. Industrial Area: NT\$12,705~13,613 per m² (16.5 hectares of land available for purchase).
- (3) Business Opportunity and Estimated Return on Investment:

 Development of high-tech, environmental, and green energy industries in the



industrial area, and the provision of residential and shopping facilities for the employees of companies in the industrial area.

■ Investment Conditions

- 1. Scope and Duration of Concession Rights:
- 2. Scope and Requirements of Work by Private Entities:
- 3. Qualifying Criteria for Applicants:
 - a. Industrial Area: A company, company subsidiary or corporate body that is duly established in accordance with the requirements of ROC company law, or a subsidiary of a foreign company that is approved as having an organization equivalent to a company under ROC law, and that meets the requirements for establishment in this industrial park.
 - b. Management and Business Service Area: Any corporate or natural person with the right to purchase real estate within the territory of the Republic of China according to the laws and regulations thereof.
 - c. Residential Area: Any corporate or natural person with the right to purchase real estate within the territory of the Republic of China according to the laws and regulations thereof.
- 4. Support from Government:
- 5. Other Related Information:

■ Contact Window Information

1. Contact Agency: Taoyuan County Government Land Administration Bureau

2. Contact Person: Xue Man, Xu

3. Position: Contract Employee

4. Phone: 886-3-3376448

5. Email: 123016@mail,tycg.gov.tw

6. Website for more detailed project information:

(Industry Area Manager: Asian Pacific Development Pty Ltd., Mr. Huang Zi-Zhe, Tel:02-25456268 ext 31)

2-5 Kaohsiung City Gangshan Benjhou Industrial Park Expanded Area Development Project



■ Basic Project Information

- Project Category: Other Industries (industrial park developing)
- 2. Authority in Charge: Kaohsiung City Government
- 3. Project Overview
- (1) Project Scope/Content/Location:

Located on the border of Gangshan and Lujhu Districts, and also on the cross regime of Lujhu Science Park, Gangshan Benjhou Industrial Park and Yongan Industrial Park, with the No. 1 Provincial Highway right nearby, the area as well is close to the North-South railway system and the National Highway No.1. It situates 30 km from Hsiaokang International Airport, 15 km from the Tainan airport, and 25 km away from the Kaohsiung harbor, which also is in the neighborhood of downtown Gangshan and Lujhou.

- (2) Estimated Total/Private Investment Amount: NTD\$6.5billion
- (3) Estimated Business Opportunity and Return on Investment: The charge for agents will be NTD\$2-500million, and the return of investment is of 3%-8.5%.

■ Investment Conditions

The approval from authority administration is to be granted the soonest in the second half of the year before the area can begin development processes and to recruit for developers. The development will take for the least two years.

- 1. Scope and Duration of Concession Rights: N/A
- 2. Scope and Requirements of Work by Private Entities: N/A
- 3. Qualifying Criteria for Applicants: N/A
- 4. Support from Government: N/A
- 5. Other Related Information: N/A

1. Contact Agency: Industrial Services Division

2. Contact Person: Jia-sian Lin

3. Position: Assistant Officer

4. Phone: 886-7-336833 ext 2162

5. Email: email@kcg.gov.tw



Hsinchu Science Park

Part 3

Electric Vehicles

3-1 Intelligent Electricity Vehicle Pilot Project

■ Basic Project Information

1. Project Category:

Enaging Intellgent Industries (Intelligent

Electricity Vehicle)

2. Authority in Charge:

Industrial Development Bureau Ministry of Economic Affairs

- 3. Project Overview
- (1) Project Scope/Content:

IDB raise the proposal of Intelligent Electricity Vehicle Pilot Program in order to build up user-friendly environment for the EV, increase the industry competitiveness, in the long run to reduce carbon dioxide emission.

The purposes of the project are to encourage the development and extend the penetration rate of EV. The objects of subsidy are as follows:

a.Local governments;

b.Private entities have healthy relationship with banks and their net value is bigger than half of their capital. If the applicants are manufacturers, they have tofile related documents, which are Factory Registration Form or substituted approvals.

There are two types of model for the proposal as below.

a. Early-stage Research: All of the researches on market trend, technical research,



business model research, expecting benefit are accepted.

b.Pilot run project: That means that the applicants have to make a complete proposal of operating a demonstration area. The whole details have to be included, such as the team members, adopted EV models, the business model, the recharging model, the telematics application and the expected benefits. There are no limitations on applying sequence.

The project will be subsidized on the below items.

- a.Intelligent Electricity Vehicles: It means that 4 wheel vehicles get the inspection approval from the Vehicle Safety Certification Center and the EV license plates legally. Public affair vehicles, which to be subsidized by this program, should provide public transportation service.
- b.Softwares/equipments and other supporting items, they include the facilities of recharging stations, vehicle control and dispatch center, related software, facilities used on the international technical cooperation. All of the equipments need to be passed in accordance with the validation and testing regulations.

There are no limitations on the size of land and zoning, but the location need to meet different purpose of the R&D, manufacturing or service display. They must be convenient for travelling and near to subway stations, express way interchanges. It is necessary to complete public facilities, such as eco-friendly area, electricity system and internet-accesses at the offices and incubation centers.

- (2) Estimated Total/Private Investment Amount: 703.5 million NT dollars
- (3) Estimated Business Opportunity and Return on Investment:

 The program will help EV industry to set up the standard for recharging station, level up the whole industry capability, and will encourage private companies to invest on recharging stations, telematics application and battery rental business. The program will also strengthen the R&D ability and lower the high battery cost to 30%. One-hundred-and-twenty high speed recharging stations and 3000 standard recharging stations will be built up. With the completion of infrastructure, more than two EV serviceproviding companies will be

established spontaneously.

■ Investment Conditions

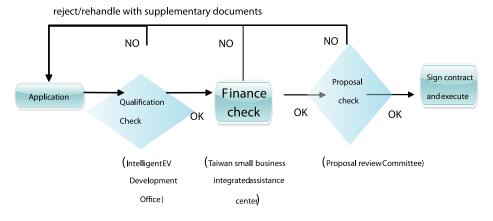
- 1. Location Conditions:
- (1)Zoning: No limitations. But they should be used for R&D, production and sales legally.
- (2) Size of land: No limitations.
- (3)Accessibility of traffic: It should be convenient for travelling and near to subway stations or expressway interchanges.
- (4) Public facilities: Eco friendly area, electricity system, and internet-accesses at the offices and incubation centers.
- 2. Scope and Duration of Concession Rights:

 The applicant have to acquire land and complete the plan within 3~5 years.
- 3. Scope and Requirements of Work by Private Entities:
- (1) Work Scope
 - a. Build up EV-related-facility manufacturing
 - b. Build up power operation facilities
 - c. Build up operation and service display center
- (2) Work requirement category requirement, investment scope requirement, operation requirement...etc. : Related requirements will be published in the future.
- 4. Qualifying Criteria for Applicants:
- (1) City government and county government.
- (2) Private entities which have healthy relationship with banks and their net value is bigger than half of their capital. If applicants are manufacturers, they have to attach related documents, which are Factory Registration Form or substituted approvals.
- 5. Support from Government
 - If the proposal is workable, IDB will coordinate with other departments to help the investor to acquire the land, pass the environment evaluations and other administration and monitoring regulations.
- 6. Other Related Information: N/A

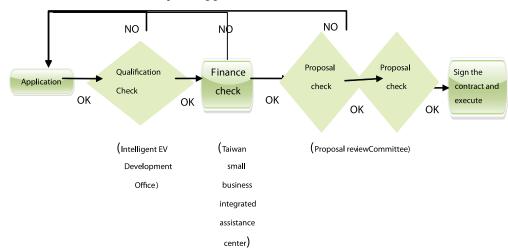
- 1. Contact Agency: Industrial Development Bureau Ministry of Economic Affairs
- 2. Contact Person: Yun-Sheng Lee
- 3. Position: Technical Specialist Metal and Mechanical Industries Division
- 4. Phone: 886-2-27541255 ext 2135
- 5. Email: yslee@moeaidb.gov.tw
- 6. Website for more detailed project information: http://proj.moeaidb.gov.tw/lev/default_o.asp

Procedure and Schedule

1. Phase 0- Earlier Stage Research Application Process



2. Phase 1- Point Run Project Application Process



3-2 Telematics Promotion Project

Basic Project Information

1. Project Category:

Enaging Intellgent Industries (Intelligent Electricity Vehicle)



Telematics Promotion Office of the Ministry of Economic Affairs

- 3. Project Overview
- (1) Project Scope/Content:

It aims to establish the Advanced Telematics R&D Center to integrate the R&D competitive advantages in Automotive Electronic and Telematics industries, to mobilize the industrial de velopment in Telematics and Intelligent Transport System and foster the market expansion of Taiwan 's industry.

- (2) Estimated Total/Private Investment Amount:

 The investment is expected to reach NT\$ 5 billion in the next three years (2010 ~2013).
- (3) Estimated Business Opportunity and Return on Investment: $2010 \sim 2013$

■ Investment Conditions

- 1. Location Conditions: Not available
- 2. Scope and Duration of Concession Rights:

Taiwan's traditional ICT hardware manufacturers, software developers, system integrators as well as IC designers can be facilitated to expand their market share from the traditional low-margin products such as Consumer Electronics into high value-added domain such as telematics, intelligent transport system, related digital map data, navigation, multimedia, vehicular computing, system integration, car 2 car communications, connected vehicle development and application service. In addition, through the establishment of domestic industrial association or international alliance, it can stimulate cross-industrial cooperation or international collaboration, leading to co-develop the world's leading innovative telematics-related services and products, and to further set up the relevant industrial standards. This project is estimated to contribute to several





- technical cooperation schemes to domestic industrial and academic sectors and to induce the investment up to NT\$ 5 billion in the following three years.
- 3. Scope and Requirements of Work by Private Entities:
- (1) The Scope of Work: According to the Key Technology R&D items and the schedule in the Telematics Promotion Project of MOEA, the related software/hardware and services shall be researched, developed and designed to accelerate Taiwan's key technology capabilities, to complete the industrial supply chain and to develop global leading industrial standards in order to export to the world.
- (2) The Requirement of Work: As the final results are approved, the Letter of Approval will be sent to the applicant. It is requested that the applicant have to complete the contracting procedures by the duration requested in the Letter of Approval.
- 4. Qualifying Criteria for Applicants: Subject to the Company Law in Taiwan, and the project has to be complied with the related requirements and regulations of Telematics Promotion Project before finishing.
- 5. Incentive Measures from Government:
- (1)Industrial Technology Development Program
- (2) Small Business Innovation Research Program (SBIR)
- (3)Innovative Technology Applications and Services Program
- (4)Industrial Technology Innovation Center Program
- 6. Other Related Information: N/A

1. Contact Agency: TPO

2. Contact Person: Miranda Tsai

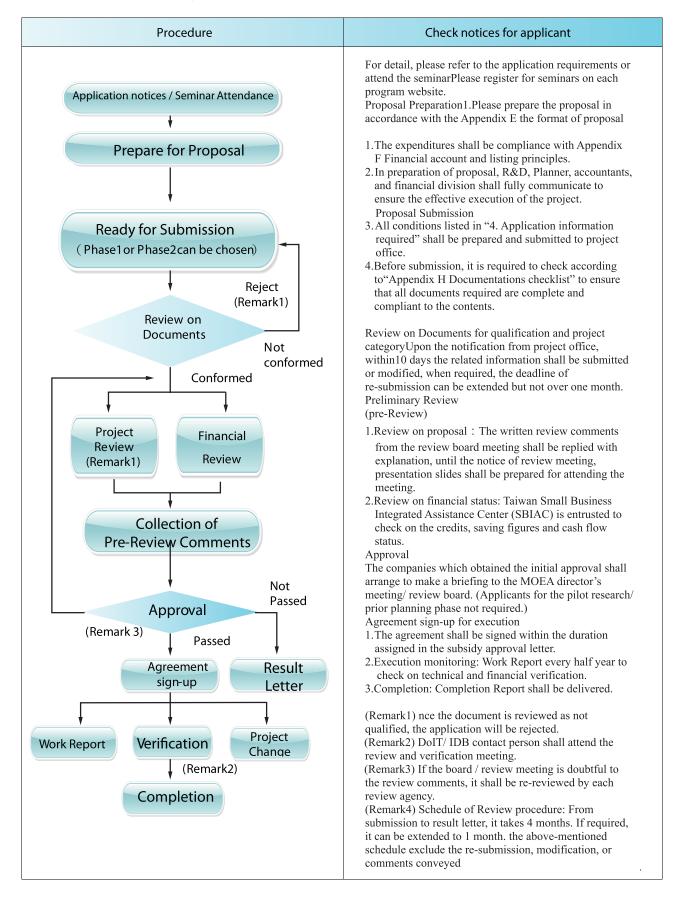
3. Position: Researcher

4. Phone:886-2-2713-6990 ext 281

5. E-mail: mirandat@iii.org.tw

6. Website: http://www.tpo.org.tw/

■ Procedure and Schedule



3-3 The Second District of Nanzih Export Processing Zone, MOEA

■ Basic Project Information

- 1. Project Category: Other industries (establishment of industrial parks, promotion of industrial upgrading)
- 2. Authority in Charge: Export Processing Zone Administration, MOEA
- 3. Project Overview
- (1) Project Scope/Content/Location:

Located in Kaohsiung City's Nanzih District and adjoining Nanzih Export Processing Zone, the Second District of Nanzih Export Processing Zone covers an area of about 8.5 hectares with 5.38 hectares available for the construction of plants. The export processing zone supports supply chains of the current semiconductor, electronic component, computer and electronics, and optical product industries. With high-tech flagship companies moving into the zone, an industry cluster will be created, enhancing the cluster effect in the export processing zone.

(2) Estimated Total/Private Investment Amount: (NTD: billion) The development cost totaled \$1.125 billion. The export processing zone aims to attract the following investors:

Current companies operating in the zone which desire to increase their capital and expand.

Partners of current flagship companies operating in the zone.

Taiwanese companies based in China and Southeast Asia.

Japanese, European and U.S. companies operating in the zone, as well as their suppliers.

Companies based in the incubation center.

(3) Estimated Business Opportunity and Return on Investment:

The Export Processing Zone Administration plans to mainly introduce R&D, high value-added and low-carbon industries to the zone. The output value is estimated to reach \$50.5 billion in 2039, the evaluation year.

■ Investment Conditions

1. Scope and Duration of Concession Rights: Subject to the approved investment applications and contracts.

- 2. Scope and Requirements of Work by Private Entities:
- (1) Submit an investment application: Fill in the "EPZ Investment Application Form" and submit the application to the Export Processing Zone Administration, MOEA.
- (2) Pay the land reservation fee: Before submitting an investment application, investors should pay the land reservation fee, which is six months' land rent (including the shared green area).
- (3) Pay related fees in accordance with the contract: Since the date of signing the contract, investors should pay the rent and related fees, including the infrastructure construction fee, as set forth in the contract.
- (4) Comply with related deadlines: Start construction of buildings or plants during the specified period and complete the construction on time. Complete the investment in the ratified investment period.
- 3. Qualifying Criteria for Applicants:
- (1) Domestic and foreign investors (individuals or companies) are both welcome.
- (2) Minimum paid-in capital (NTD):
 - A. \$10 million for manufacturers that rent or purchase plants in the zone, and \$20 million for those who rent the land and build their own plants in the zone
 - B. \$80 million for the warehousing industry, \$50 million for the transportation sector, and \$1 million for other industries
 - Note: Minimum paid-in capital requirement will be subject to other laws or regulations that set higher requirements than this regulation for the abovementioned industries.
- (3) Business categories: Only businesses listed in "Business Classifications Allowed to be Established in the Export Processing Zone" are eligible to apply for operating in the zone. 【For more information, please check our Website (www.epza.gov.tw)】. Investors also need to comply with Article 14 of "Enforcement Rules for Urban Planning Law in Kaohsiung City" that regulates permitted uses for Grade B industrial Zone.
- (4) Others: Applicants shall comply with environmental rules regulating wastewater (sewage) disposal, noise control and other relevant matters, and rules regulating architecture and landscape, as well as "Administrative Regulations Governing Controlled Cases in Banned and Restricted Areas where Kaohsiung Mass Rapid Transit System is Built."

- 4. Support from Government:
- (1) Assistance in eliminating legal and other obstacles: Assistance in acquiring land for the industrial zone and land use change.
- (2) Offering investment incentives:
 - A. Related tax incentives offered by the central government:
 - a. The following duties are exempted in export processing zones: Imported machinery and equipment for own use are exempted from import duties, commodity tax and business tax.
 - b. House tax is halved in export processing zones.
 - B. Favorable measures provided by the Kaohsiung City Government to encourage private investment include:
 - a. Financing interest subsidy.
 - b. House and land rent subsidies.
 - c. Salary subsidy for new employees.
 - d. Subsidy for laborers' vocational training cost.
- 5. Other Related Information:
- (1) To achieve the best land utilization in the park, the Export Processing Zone Administration reserves the land allotment right.
- (2) The building coverage ratio is 60% and the plot ratio is 250%-300% in this export processing zone.
- (3) Investors must rent at least 2,000 m² of land if they intend to lease land and build their own plants in the zone.
- (4) Investors must comply with rules regulating architecture and landscape in the zone.
- (5) Investors must comply with "Administrative Regulations Governing Controlled Cases in Banned and Restricted Areas where Kaohsiung Mass Rapid Transit System is Built."
- (6) Investors must comply with rules regulating wastewater (sewage) treatment and other environmental regulations in the zone.

Application Procedure and Schedule

- 1. Discuss investment situations with the administration and obtain investment application forms.
- 2. Field survey and plants or land selection.
- 3. Apply for pre-screening of company titles and business scope.

- 4. Pay the reservation fee to the Export Processing Zone Administration (or its branch) for renting land or purchasing buildings (The reservation fee is 50% of the annual land rent or 5% of sales price of the building area).
- 5. Submit 20 copies of the investment application form.
- 6. Review of applications.
- 7. Apply for ratification of the amount of investment (only applicable to overseas Chinese and foreign investors).
- 8. Obtain a land use permit and a plant use permit. The procedure is as follows if the plant is built by the company on the leased land: Sign a land lease contract → Apply for a construction license → Apply for a permit to start construction → Apply for a usage license.
- 9. Apply for company registration
- 10. Apply for an operation permit
- 11. Apply for membership in an industry association.
- 12. Apply for tax registration to tax authorities. Companies engaging in manufacturing and processing businesses should apply for factory registration and importer/exporter registration.
- 13. Export processing zone enterprises that produce, buy or sell bonded goods should apply for supervision from the Customs. Enterprises that do not produce bonded products should file an application for reference to the Export Processing Zone Administration or its branch before beginning operations.

1. Contact Agency: Export Processing Zone Administration, MOEA

2. Contact Person: Hsu, Ta-Yung

3. Position: Officer

4. Phone: 886-7-3611212 ext. 3165. Email: tyshu2010@epza.gov.tw

6. Website for more detailed project information: http://www.epza.gov.tw