
Part 4

Biotech and Medical Tourism

4-1 Project to Establish a Bio-Medical Devices Industrial Cluster in the Southern Taiwan

■ Basic Project Information

1. Project Category :
i-Taiwan 12 Projects [Industrial Innovation Corridors]
 2. Authority in Charge :
Southern Taiwan Science Park Administration (STSPA)
 3. Project Overview
- (1) Project Scope/Content



- a. Project Scope
Project Scope

The project covers the following fields: Dental equipment systems, orthopedic medical devices, medical cosmetology devices or equipment, medical alloys, technological development of bio-medical devices with commercial potential, industrial talent training, and R&D platform establishment.

- b. Project Content

The main objectives of the project are to enhance the quality of orthopedic medical devices and localize dental and cosmetic surgery equipment, so as to reinforce or establish private brand image, expand the marketing range from the Asia-Pacific region to the global market and, ultimately, turn the Park into a special zone and a demonstration platform of the international bio-medical device industry.

- c. Location

Primarily in the Southern Taiwan Science Park.

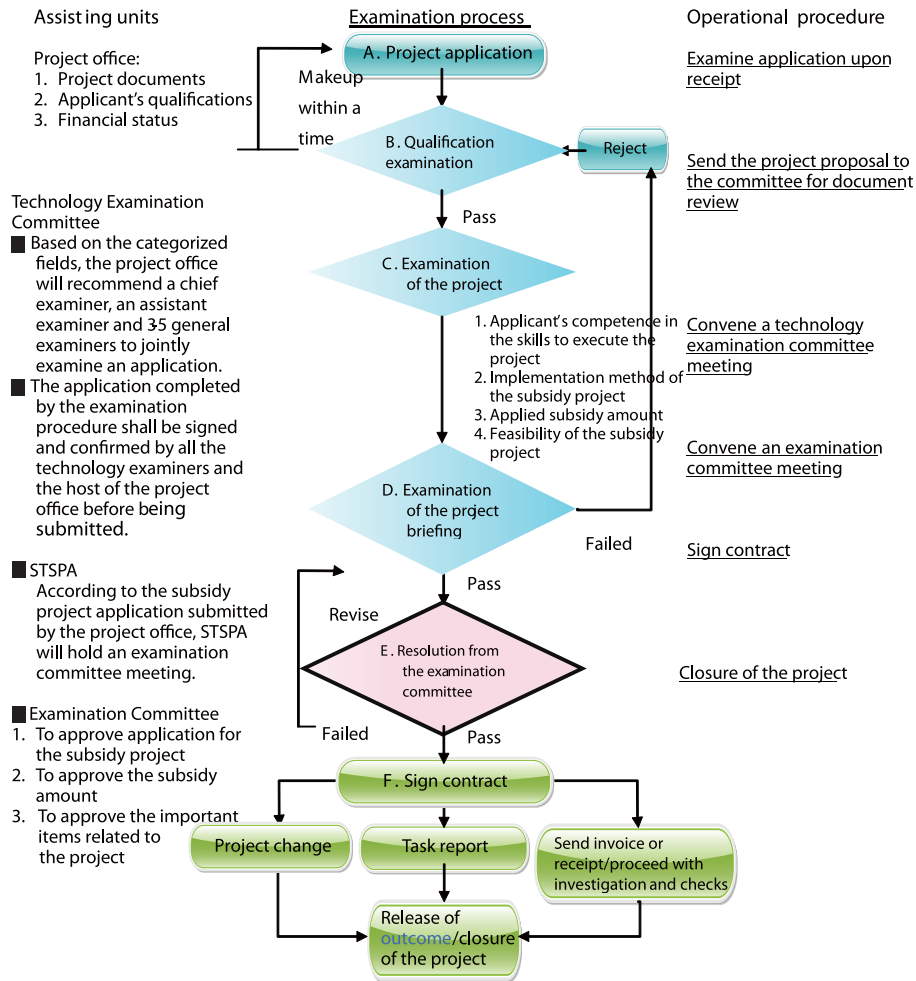
- (2) Estimated Total / Private Investment Amount
NT\$5 billion.

- (3) Estimated Business Opportunity and Return on Investment Population aging is heightening the importance of the medical industry. The global medical device market is expected to grow 6.1% on average from 2006 to 2011, to reach US\$230 billion. Taiwan's medical device industry is mainly based on OEM/ODM, making mostly mid-level and lowend products. Even though its growth has been far outpacing the industry's global growth, Taiwan still holds just 1% of global market share. This indicates that there is considerable room for Taiwan to expand its medical device industry.

■ Investment Conditions

1. Project Period:
From 2009 to 2012.
2. Qualifying Criteria for Applicant:
 - (1) Public and private colleges and public research institutions
 - (2) Companies established in accordance with the ROC Company Act, and which meet specified financial conditions
 - (3) Juridical persons or non-profit corporations ("legal persons")
3. Support from Government
 - (1) Tax preferences
 - (2) Preferential rents for lease of land and factory buildings
 - (3) The provision of subsidies as governed by the Directions for the Provision of Subsidies for the Project to Establish a Bio-Medical Devices Industrial Cluster in the Southern Taiwan Science Park.

■ Application Procedure and Schedule



■ Contact Window Information

- Contact Agency: Southern Taiwan Science Park Administration
- Contact Persons
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4-2 Hsinchu Biomedical Science Park

■ Basic Project Information

1. Project Category: i-Taiwan 12 Projects
(Industrial Innovation Corridors)
Six Emerging Industries (Biotechnology)
2. Authority in Charge: Science Park Administration
3. Project Overview

(1) Project Scope/Content/Location:

Hsinchu Biomedical Science Park (HBSP) symbolizes the Taiwan government's commitment to developing a world-class innovation and incubation base for the biomedical industry. HBSP is strategically located in Hsinchu County in northern Taiwan. Situated inside the world-renowned Hsinchu Science Park, it enjoys excellent transport links, and is surrounded by some of Taiwan's most prestigious universities and research institutions. It is within walking distance of the Hsinchu High Speed Rail station, and only 30 minutes away from Taipei, Taichung and Taoyuan International Airport.

Occupying an area of 38.1 hectares, the park is designed to play a lead role in fostering Taiwan's biomedical industry. The park will house the HBSP Hospital, biomedical R&D centers, and an incubation center. It will have facilities for the conduct of clinical trials, translational medicine, innovative research, clinical trial cooperation and legal consultancy, and seed business planning services. In addition, the Biotech Building inside the park will offer 36 rental units for biomedical companies at reasonable rents, offering ready-to-use space for laboratory-based R&D activities.

HBSP not only furnishes ideal conditions for the development of biotech enterprises, but also provides a platform for cross-disciplinary collaboration and a comprehensive training system for biomedical companies in the park.



(2) Estimated Total/Private Investment Amount:

Approximately NT\$1.8 billion over 5 years from 2009.

(3) Estimated Business Opportunity and Return on Investment:

To support the development and growth of Taiwan's biomedical industry, HBSP is dedicated to strengthening the industrial value chain from basic research,

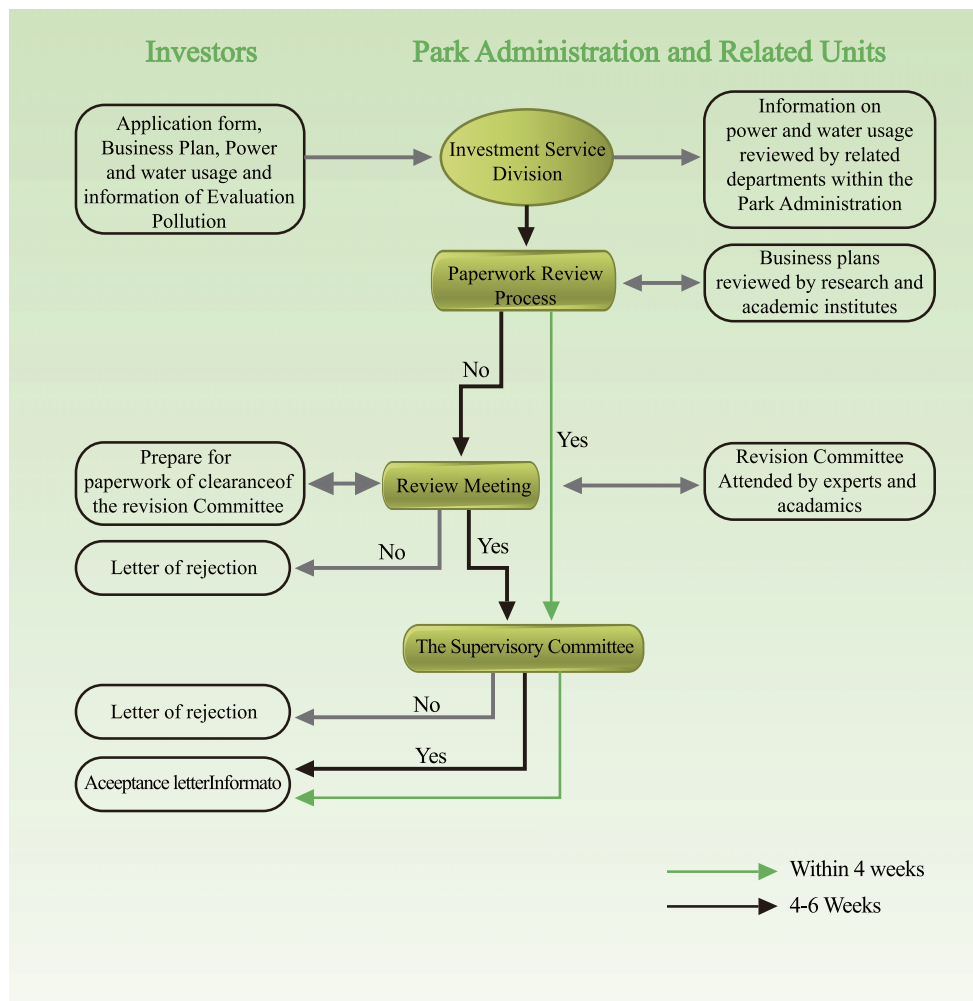
clinical trials and product/process development to manufacturing. With the synergy of resource sharing, knowledge exchange, and clinical research networks, HBSP will pave the way for biomedical companies' future success.

■ **Investment Conditions**

1. Qualifying Criteria for Applicants:

The targeted investors are firms developing and making new drugs and advanced medical devices. “New drugs” include drugs with new ingredients, new therapeutic effects or new administration methods, as verified by the central competent authorities. “Advanced medical devices” include Class II or Class III medical devices, as stipulated in the Regulations Governing the management of Medical Devices.

■ **Application Procedure and Schedule**



■ **Contact Window Information**

1. Contact Agency: Science Park Administration
2. Contact Person: Cecilia Lee
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4-3 Taiwan Orchid Plantation Building a Global Value Chain for Orchids

■ Project Information

1. Project Category: The Six Emerging Industries (B5 High-end Agriculture)
2. Authority in Charge: Tainan County Government
3. Project Overview



(1) Project Scope/Content/Location:

The Taiwan Orchid Plantation (TOP) is conveniently located on the north side of Tainan County Highway 172 at Lot No. 581, Wushulin Section, Houbi Township, Tainan County. Freeway No. 3 is just 6 kilometers to the east (accessible via the Baihe Interchange in Baihe Township), while Freeway No. 1 is roughly 9 kilometers to the west (accessible via the Xinying Interchange in Xinying City). In addition, County Highway 172 also links up with Provincial Highway 1 just a short distance to the west. (See map below.)

The land at TOP is being leased by the Tainan County Government from the Taiwan Sugar Corporation. An orchid grower submits a tenancy application to the Tainan County Government and once the application is approved it enters into a tenancy agreement and moves in. The lease price is calculated as follows: publicly announced land price x 4.5% x 1.05 (price including tax). In addition, a tenant also pays a management fee.

■ Investment Conditions

1. Scope and Duration of Investment Rights:

An approved investor may build an agricultural facility and receive a permit to operate it for a renewable term of 15 years.

2. Scope and Requirements of work by Private Entities:

Phase II and III areas and building agricultural facilities.

3. Qualifying Criteria for Applicants:

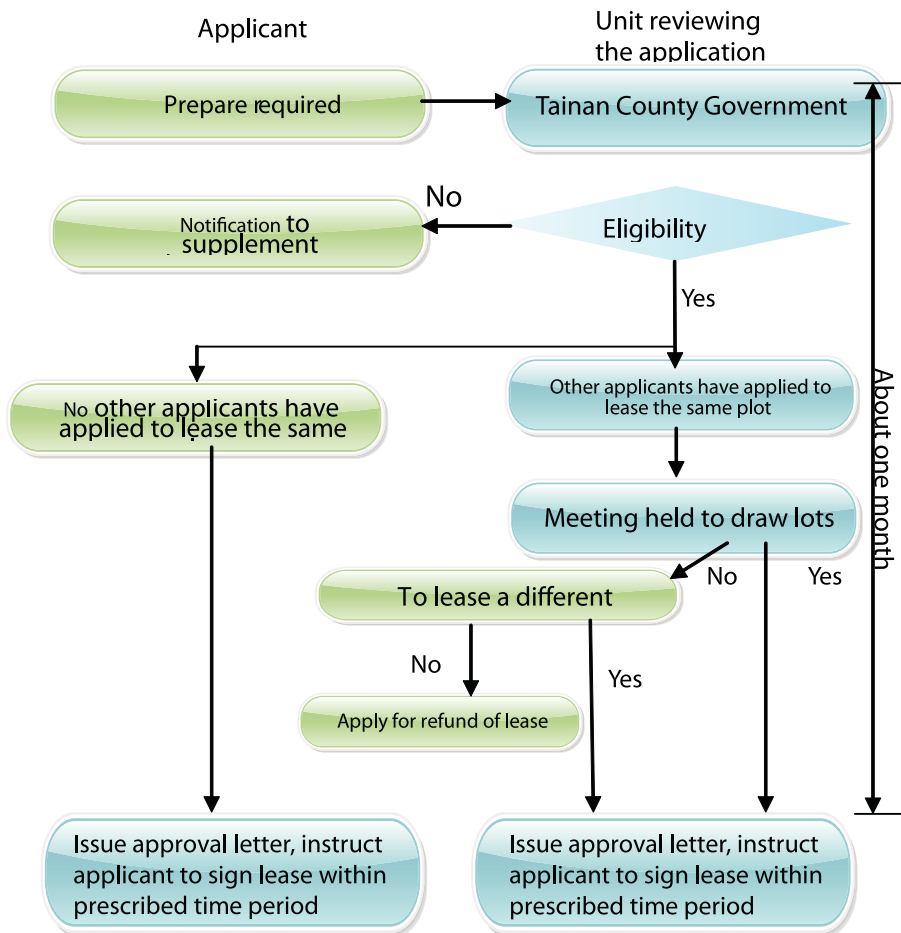
(1) Firms intending to engage in breeding, propagation, or cultivation of orchids:

A firm that holds a registration certificate for seed and seedling business must

furnish the license at the time of application. A firm that does not hold a registration certificate for seed and seedling business must furnish the Tainan County Government with a registration certificate for seed and seedling business within two months after it obtains a license for use of built agricultural facilities.

- (2) Firms intending to do business in supplies, equipment, or logistics:
Such a firm must show proof that it has completed both incorporation and business registration.
- 4. Support from Government:
The Tainan County Government processes tenant applications and provides related services, including provision of required plantation infrastructure.
- 5. Other Related Information: N/A

■ **Application Procedure and Schedule**



■ **Contact Window Information**

1. Contact Agency: Tainan County Government
2. Contact Person: Ms. Chen Yu-lien
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6. Website for more detailed project information: None

4-4 Pingtung Agricultural Biotechnology Park – Establishing an Agricultural Biotechnology Industry Cluster that Taps into Taiwan’s Core Competitive Strengths



■ Project Information

1. Project Category:

The Six Emerging Industries (High-end Agriculture)

2. Authority in Charge:

Pingtung Agricultural Biotechnology Park, Council of Agriculture, Executive Yuan

3. Project Overview

(1) Project Scope/Content/Location:

Pingtung Agricultural Biotechnology Park (PABP) is located in Changjhih Township, Pingtung County. Covering 233 hectares, PABP offers convenient access via Provincial Highway 27 and Pingtung County Highway 26, and is only 2 minutes from

(2) Estimated Total/Private Investment Amount:

NT\$ 830 million.

(3) Estimated Business Opportunity and

Return on Investment: PABP estimate to recruit over 120 Agro-Biotech companies, and to create NT\$ 1,800 million dollars annual output value. Currently, there have been 60 companies recruited and total investment is NT\$ 44 million dollars. 42 companies had officially run the business. Return on Investment depends on the skills, products and operation of companies.

■ Investment Conditions

1. Scope and Duration of Investment Rights:

Companies may apply either to lease factory premises constructed by the park authority or to lease land on which to build their own premises. There is no time limit on operation.

2. Scope and Requirements of work by Private Entities:

Agro-biotech companies approved by the PABP authority must commence operation in accordance with their submitted and approved business plan within 6 months of receiving approval to invest in the park.

3. Qualifying Criteria for Applicants:

Must be a limited liability company, or branch thereof, duly incorporated in accordance with ROC law, or with a form of corporate organization equivalent to a limited liability company under ROC law, and meet at least one of the following qualifications:

- (1) Possess capability to conduct research and development (R&D) in the field of agricultural technology, and to carry out integrated product development plans.
- (2) Employ and cultivate ROC nationals as agricultural technology specialists to conduct R&D and production.
- (3) Establish an R&D department, possessing certain specified equipment and facilities, to conduct R&D in the field of agricultural technology.
- (4) Have potential to generate innovative and commercially viable applications from R&D.
- (5) Possess and use relevant agricultural technologies that have been patented in Taiwan or overseas.
- (6) Present a business plan that matches domestic agricultural policy and can contribute significantly to domestic economic or agricultural development.

4. Support from Government:

The PABP authority manages the park and provides various services, including the provision of R&D subsidies, maintenance of park infrastructure, building and leasing of public factories, provision of accommodation, provision of bonded warehouse service and logistics facilities, and coordination of applications for long-term low-interest loans.

5. Other Related Information:

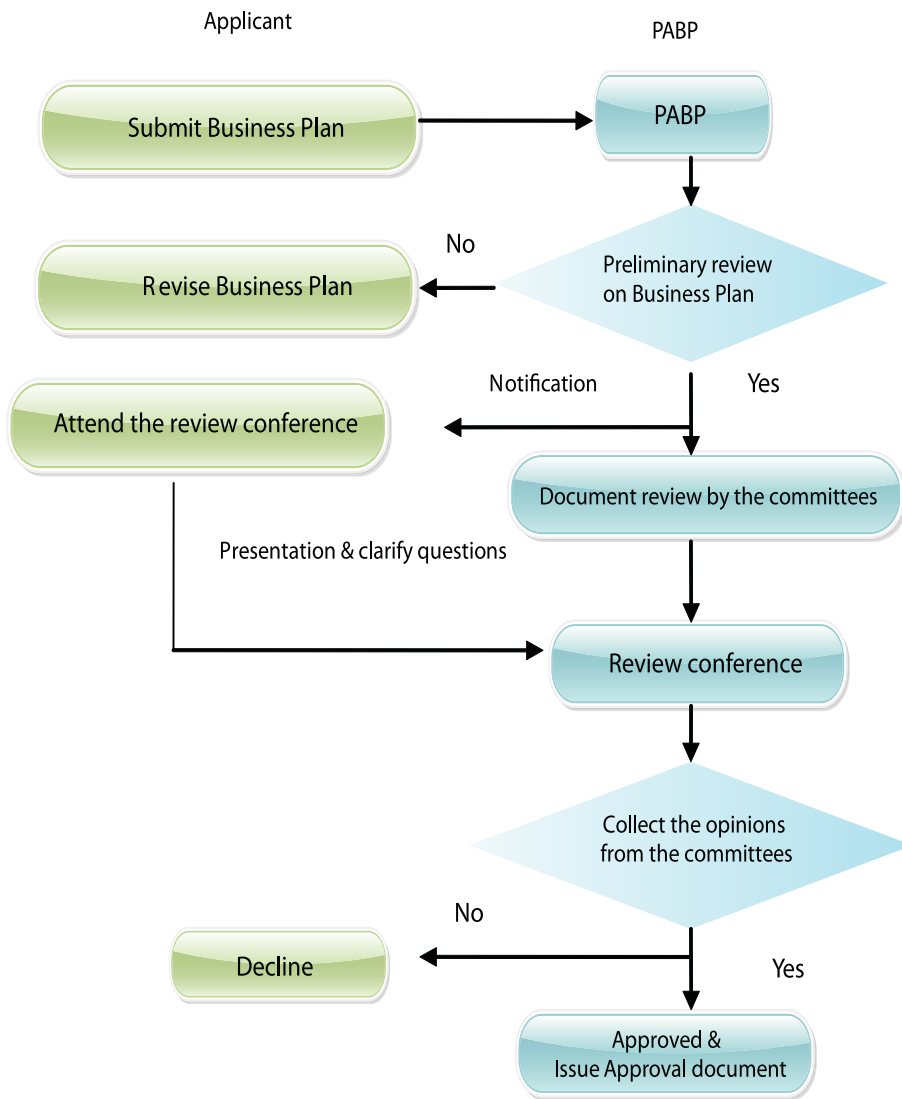
None

■ **Contact Window Information**

1. Contact Agency: Pingtung Agricultural Biotechnology Park, Council of Agriculture, Executive Yuan
2. Contact Person: Jeng-Shiun Tsai

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- 6. Website for more detailed project information: <http://www.pabp.gov.tw>

■ **Application Procedure and Schedule**



4-5 International Healthcare Park

■ Basic Project Information

1. Project Category

- (1) The Six Emerging Industries[Health Care] .
- (2) The Key Service Industries[Internationalization of Medical] .

2. Authority in Charge: Department of Health (DOH).

3. Project Overview:

(1) Project Scope/Contents:

The International Healthcare Park must be comprised of(1) hospitals that specialize in providing international medical services (accommodating 200 beds in principle), (2) hotels (at least of 4-star rating). The investment team has autonomy in planning ancillary software and hardware facilities.

(2) Estimated Total / Private Investment Amount:

The investment must be least NT\$2 billion.

(3) Estimated Business Opportunity and Return on Investment:

Globalization has accelerated the internationalization of services and increased the diversity of trade in services. Since the term and concept of “medical tourism” was introduced andofficially defined in the past decade, there have been high expectations for the growth of the medical services industry in countries providing medical tourism services. It has been predicted that worldwide spending on medical tourism services could reach US\$40 billion in 2010.

Taiwan has a reputation for excellence in the delivery of medical services, but is behind in the development of international medical services. With the big improvement in cross-strait relations since 2008, the high demand for medical services in the mainland, and the absence of any language barrier, Taiwan has a niche opportunity to develop medical services targeted at mainland Chinese. At the same time, it can also tap into overseas Chinese communities around the world to create an effective network for boosting the business potential of this industry.



■ Investment Conditions

1. Location Conditions:

(1) Land use zoning: Not restricted; but non-agricultural land and land that can be approved in the short-term for medical-services use will be considered first.

(2) Area: Must be at least 6 hectares in total area.

(3) Other Conditions:

a. Accessibility: Located within close proximity to airport, ports, or major transit terminals that offer convenient transportation.

b. Tourist spots: Located at or near tourist spots.

c. Medical resources: Appropriate (neither excessive nor deficient) level of existing medical resources in the intended region of investment.

2. Scope and Duration of Concession Rights:

(1) Concession rights: Prospective investors shall form a team to obtain the land first and then, in accordance with the provisions of Article 14 of the Medical Care Act, submit the application to the local health bureau for approval by the DOH to obtain the permit to operate as a designated medical services provider.

(2) Permit expiry: There is currently no expiry date.

3. Scope and Requirements of Undertaking by Private Entities:

(1) Scope of Undertaking

a. Construction of the international medical services hospitals and hotels;

b. Construction of ancillary facilities;

c. Operation of the International Healthcare Park

(2) Undertaking requirements

a. Required industry type: No specific requirements. Cross-industry alliances are encouraged. However, the management team shall be comprised of persons experienced in managing a health care organization and shall work collaboratively with local health care organizations.

b. Operational requirements: International medical care hospitals shall provide medical care to foreign patients and high-quality tourism health checkups, and must submit operating plans. They are not allowed to become NHI contract hospitals.

4. Qualifying Criteria for Applicants:

The application for this project is open to both single entities and business alliances. However, it is a requirement that the management team be comprised

of members experienced in the management of health care institutions and must be allied with local medical service institutions.

5. Support from Government

A draft amendment of the Medical Care Act will allow medical institutions dedicated to providing international medical services to be set up as companies. However, since there is still insufficient consensus on the draft, further negotiation may be needed before the amendment can be passed into law. Prior to revision of the act, an international medical service hospital may still be incorporated as either a private hospital or hospital of a medical care corporation.

6. Other Related Information: none

■ **Procedure and Schedule**

Applications will be accepted and processed on an individual basis. Under normal circumstances, assessment shall be finalized within three months of the submission date. Upon obtaining a permit from the DOH, investors may complete the requisite procedures for environmental impact assessment, soil and water preservation, and land use alteration.

■ **Contact Window Information**

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