Aug. 25. 2017 version

LETTER OF REPRESENTATION

FOR CROSS-BORDER MERGER AND ACQUISITION1

[Applicable when a foreign investor, who intends to acquire equity interests of an ROC enterprise from merger and acquisition, in which the equity interests or assets of a foreign company *(the undersigned)* held by the foreign investor are used as the consideration payable to an ROC shareholder.]

1. Considering the equity interests or assets of this company *(the undersigned)* are adopted as capital investment by the foreign investor *(the applicant)*, the company *(the undersigned)* hereby represents the following:
2. This company *(the undersigned)* is not a “Mainland Chinese Investor” prescribed by the *Measures Governing Investment Permit to the People of Mainland Area*.
3. Whereas the foreign investor *(the applicant)* intends to conduct cross-border merger and acquisition of an ROC enterprise with equity interests or assets held in this company *(the undersigned)*, this company *(the undersigned)* hereby represents that it has met one of the following requirements:

[ ]  1. This company *(the undersigned)* is an enterprise with substantial business operations:

 [ ]  1-1 This company *(the undersigned)* has (a.) continuous operation for one year or more while having or renting fixed assets such as offices, factories, and machinery, (b.) having operational premises and full-time employees at registrant country/ area or other countries/areas, and (c.) engaging in production of goods and distribution or services, or

 [ ]  1-2 This company *(the undersigned)* directly holdstwo or more subsidiaries/ branches with substantial business operations.

[ ]  2. This company *(the undersigned)* is apublicly listed company in securities markets outside Mainland Area (please specify public company type and the listed securities markets).

[ ]  3. This company *(the undersigned)* is an enterprise belonging to the same corporate group as the ROC enterprise targeted for cross-border merger and acquisition by the foreign investor *(the applicant)*:

 [ ]  3-1 This company *(the undersigned)* directly or indirectly holds more than 90% of the total number of the outstanding voting shares (or the total amount of the capital stock) of the aforestated ROC enterprise, or

 [ ]  3-2 Over 90% of the total number of outstanding voting shares (or the total amount of the capital stock) of this company *(the undersigned)* and the aforestated ROC enterprise are directly held by the same juridical or natural persons.

 [ ]  3-3 Over 90% of the total number of outstanding voting shares (or the total amount of the capital stock) of this company *(the undersigned)* and the aforestated ROC enterprise are indirectly held by the same juridical or natural persons, while the aforestated ROC enterprise has met conditions A, B, and C below. (For merger or division applications, the aforestated ROC enterprise must also meet condition D below):

 [ ]  A. The aforestated ROC enterprise is an enterprise with substantial business operations [as defined in section 1-1 above] operating business items included in the “five plus two” innovative industries program of the Executive Yuan (i.e. an Asian Silicon Valley, intelligent machinery, green energy technology, biomedicine, national defense, new agriculture and the circular economy)**2**.

 [ ]  B. The aforestated ROC enterprise require capital increase in cash where its latest financial statement indicates an accumulated deficit.

 [ ]  C. The aforestated ROC enterprise is simultaneously conducting capital increase procedure in which a foreign investor participates in cash (i.e. Investment Commission has received foreign investment application by a foreign investor participating capital increase of the aforestated ROC enterprise in cash). In addition, the reference date of the capital increase is after the reference date of the merger and acquisition.

 [ ]  D. For “merger” applications, the aforestated ROC enterprise must be the surviving party. For “division” or “general assumption and transfer” applications, the aforestated ROC enterprise must be the transferee party.

1. The statements in this Letter of Representation and the background information of this company *(the undersigned)* attached hereto are true and correct. This company *(the undersigned)* will be civilly and/or criminally liable under the laws of the Republic of China for any inaccuracy.

**Hereby submitted to Investment Commission, Ministry of Economic Affairs**

**Name of the Undersigned (nationality and name of the company) (mandatory):**

 **(signature)**

**Name of Signatory (mandatory):**

**Title of Signatory (mandatory):**

**Date:**

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1. **This Letter of Representation is not required to be validated by ROC embassies and Missions (or by governing authorities, or by a court of law, or by notary publics of the undersigned’s registrant country).**
2. **The corresponding list of business items included in the “five plus two” innovative industries program of the Executive Yuan is published separately by Investment Commission. However, the “Negative List for Investment by Overseas Chinese or Foreign Nationals” still applies to the aforestated corresponding business items.**