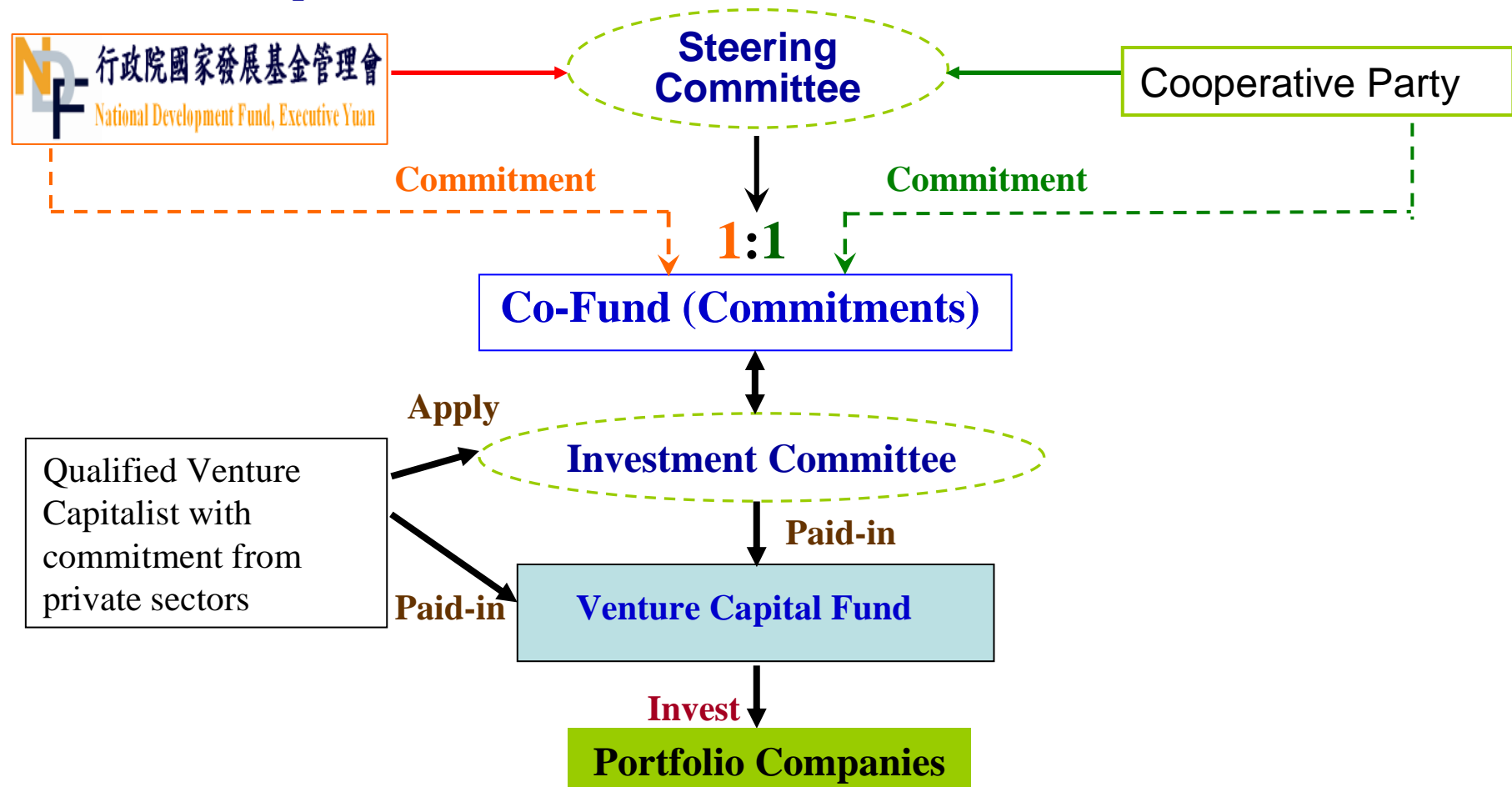


# Co-Fund Structure -Model I

(Invest in portfolio companies through a venture capital fund which is set up by the Co-Fund and private investors)

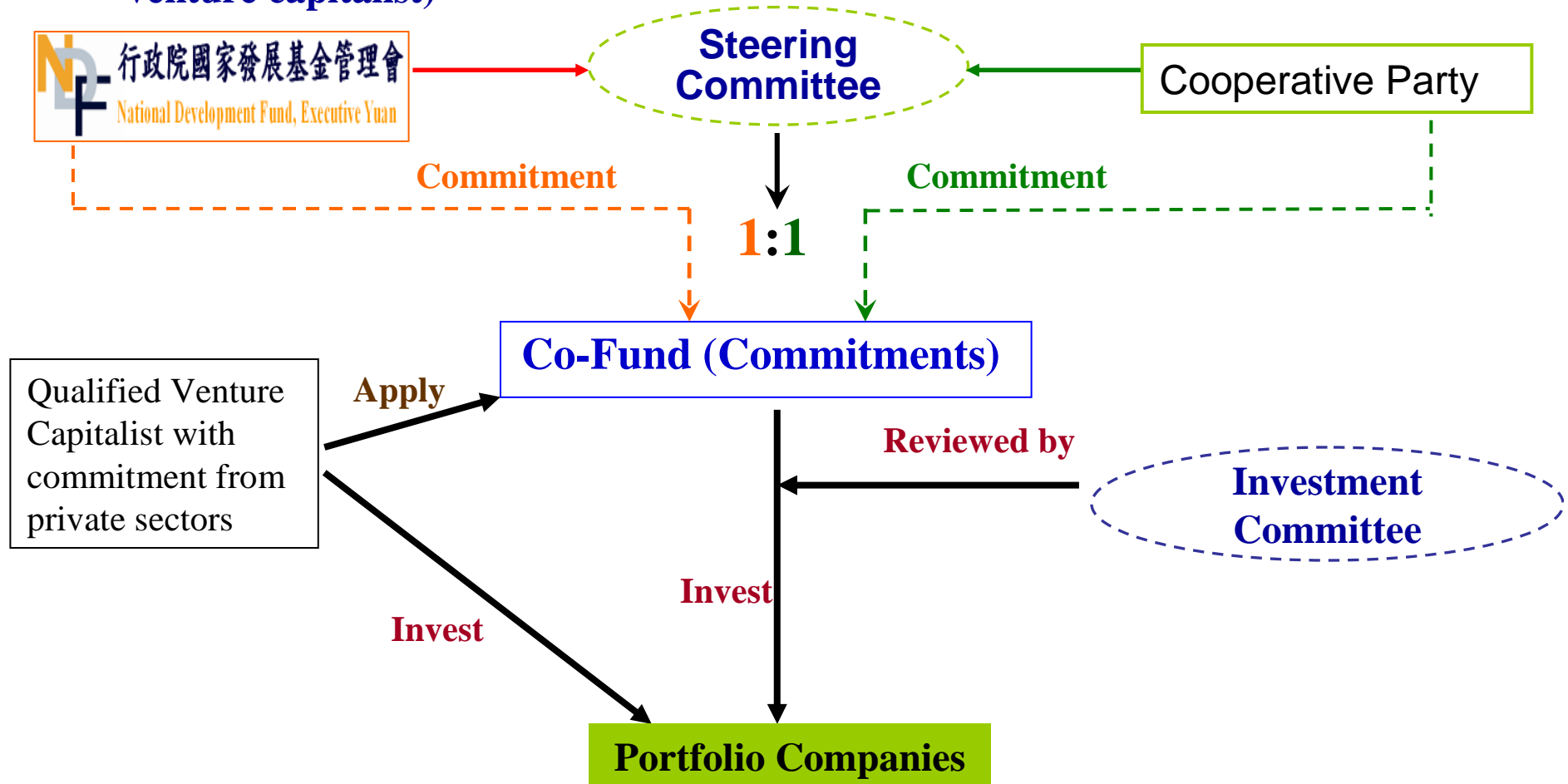


## Limitations:

1. The total amount invested by VCs in Taiwan shall not be less than the amount paid in by the D-Fund in each VC fund.
2. The portfolio companies invested by VC funds shall have related to the commerce of Cooperative Parties.

# Co-Fund Structure -Model II

(Invest in portfolio companies directly by Co-Fund with the contribution of venture capitalist)



## Limitations:

1. The total amount invested by VCs in Taiwan shall not be less than the amount paid in by the D-Fund in each VC fund.
2. The portfolio companies invested by VC funds shall have related to the commerce of Cooperative Parties.

# Key Issues for Establishing a Cross-border Co-fund

- What are the total commitments anticipated by the Cooperative Parties for this co-fund project ?
- What is the maximum amount of the commitment by Cooperative Parties separately on each VC?
- How to determine the criteria on the applicant for the VC?
- What the stages of portfolios shall the co-fund invest in?
- What kind of investment arrangement by the VC be connected to Cooperative Parties' interests?
- What is the level of contribution by the private sector in the VC or portfolios so as to prevent moral hazard and to bring in more private capitals into economic development of Cooperative Parties?