

President Hsieh, Vice President Lin, members of the Board of Acrobio, guests, ladies and gentlemen. Good morning. I salute you all as we gather here to dedicate the founding of Acrobio Investment Consulting, Inc.!

Allow me to congratulate the founders on this audacious occasion for their vision and foresight in anticipating some urgent investment opportunities and business needs in Taiwan, and their interest in contributing to the economic development through the creation of a biotech industry in Taiwan.

Biotech here on the island is pretty much in the fermentation stages. And of course, as we enter what is called the post-genomics era, there is much about biological systems and biological processes that we need to uncover and learn. Accordingly, we need to continue to do basic research, undertake applied research, and there are ample opportunities for technology transfer of the research results to the private sectors to form R&D companies, and eventually build the biotech companies and pharmaceutical houses for the manufacturing of drugs. The whole process will, however, take some time. This is a value chain that would take many years to put in place. However, Taiwan is finally making the plunge, with the government investing recently close to 1 billion USD over the next three years to jump-start a biotech industry.

Biotech means different things to different people. For some, it means a Taiwan Merck, manufacturing a drug eventually, that has been discovered, evaluated through clinical trials presumably here. However, a Taiwan Merck alone would not generate a robust biotech in Taiwan, although it would put Taiwan on the map in pharmaceuticals, which would be quite an achievement. For me, it means a diverse spectrum of small and medium-sized R&D companies doing the basic and applied research leading to a range of technical and consumer products, including drug discovery and other know-how that could feed a few Taiwan Mercks to create a dynamic flow of know-how for drug manufacturing and healthcare delivery. Yes, this is the American model. However, the US has had in place a diverse R&D establishment in the biological and biomedical sciences over the past 50 years or more, including the universities, research institutes, and even the pharmaceuticals and chemical companies, and it has only been in the last 20 years that the fruits of their labor and investment have finally begun to pay off. We in Taiwan do not have this infrastructure in place.

As Director of the National Program on Genomic Medicine, I intend to create this infrastructure. I intend to cultivate the atmosphere and set the wheel in motion to

establish this infrastructure. As a knowledge-based economy, we must continue to do basic and applied research to generate the new knowledge for technology transfer. We must also be prepared to quickly transfer these technologies for further development in the private sector. To accomplish this, our biological scientists in the universities and research institutes must have sufficient funding to train high-quality personnel and to do cutting-edge and bold, daring research that would lead to fundamental new knowledge and the opening of new fields. It is also important to change the conservative culture by offering incentives to inventors to continue the development of their inventions and discoveries in an environment that is more conducive to commercialization of their research results. These incentives can come in the form of more flexible policies regarding leaves of absence to work in the private sector, tax incentives from the government to make these bioventures financially attractive to the inventors, and of course, by cultivating or having in place a business and investment community willing to share in these ventures.

This process will take some time. And of course, the lag time for a manufacturing pharmaceutical industry is further away. However, we could slowly build up the infrastructure to jump-start it by first seeding a support service industry to support the basic research in the universities and research hospitals, and even the R&D companies. Eventually, some of these R&D companies will evolve into a serious support industry. I propose to preserve what's left of the chemical industry in Taiwan and hope that some of them will someday evolve into a pharmaceutical house to carry out the manufacturing. There is a need to create a fine chemical industry in Taiwan to support the IC, IT, and NT industries. Hopefully some of these companies will find their way into the biotech industry through acquisition and other means, just as DuPont, Dow, Monsanto, and Ciba-Geigy have done. Or one of the new R&D companies that are being set up now will evolve into a pharmaceutical house, as Celera is trying to do. Anyway, Taiwan already has in place the advanced technology in IC, IT, and NT to drive the integration of these key technologies with basic knowledge on biological systems and biotech. My hope is the process could be accelerated by the infusion of foreign know-how and foreign investments to promote the cooperation and synergism instead of competition. This is where you come in.

Throughout this process, we must create jobs, gradually raise the technical base of these jobs through job training, stimulate the economy through various government and private investments, raise the tax base, and be on alert to move any new knowledge and any technology generated in Taiwan up the value chain.

Once again, congratulations. I certainly look forward to working with you.