

中美冠科與 JSR Corporation 合併案投資人問答 Investors Q&A – The Merger of CrownBio and JSR Corporation

中美冠科生物技術股份有限公司(下稱「本公司」或「冠科」)於 2017 年 12 月 19 日與 JSR Corporation 及 Gallo Merger Sub Corp. 簽署合併契約和計畫，以該等合併契約和計畫所訂之交割先決條件成就為前提，本公司將與 Gallo Merger Sub Corp. 合併，本公司為存續公司，Gallo Merger Sub Corp. 為消滅公司，本公司並將成為 JSR Corporation 百分之百持有之子公司。

Crown Bioscience International ("CrownBio") on December 19, 2017 has entered into the Agreement and Plan of Merger with JSR Corporation and Gallo Merger Sub Corp., pursuant to which, and subject to the conditions precedent contained therein, Gallo Merger Sub Corp. will merge with and into CrownBio with CrownBio continuing as the surviving company and a wholly-owned subsidiary of JSR Corporation.

1. JSR Corporation 背景為何？

Background of JSR Corporation

[JSR Corporation](#) (Japan Synthetic Rubber) 為日本國際石化類產品、精密材料、醫材及鋰電子電容器製造供應商，1957 年成立後於東京證交所上市。

冠科將加入之 JSR Corporation 之 Life Sciences 部門，其提供用於支援醫學研究及診斷之體外診斷及試劑、用於個人化及生技製藥製生物程序材料，以及於全球醫療用品中廣泛使用之醫學聚合物。

[JSR Corporation](#) is a leading provider of petrochemical, fine chemical, life sciences and lithium ion capacitor products in Japan and internationally. JSR Corporation is incorporated in 1957 and listed on the Tokyo Stock Exchange.

JSR Corporation's Life Sciences division that CrownBio will join supplies in-vitro diagnostics and reagents used to support medical research and diagnosis, bioprocess materials used in personalized and biotechnology-based medicine and medical polymers used in a wide range of medical supplies globally.

2. 冠科為何與 JSR Corporation 合併？

Why is CrownBio merging with JSR Corporation?

JSR 的全球觸角與資源將能提供冠科更廣泛的平台，通過合併，冠科將可以強化支援藥物標靶確認、藥效測試及病患反應分類之領先藥物研發平台，將可望提供由藥物開發到製造之完整服務，同時開創改良藥物開發製程之新契機。

JSR's global footprint and resources will provide CrownBio with a more comprehensive platform. This merger may enhance CrownBio's leading medicine research platform supporting drug target validation, efficacy testing and patient response characterization in the hope of providing well-rounded services from drug discovery to manufacturing while opening up new opportunities for improving the drug development processes.

通過此次策略合併，JSR 希望擴大公司在化學材料方面的基礎，結合更多創新競爭力延展新藥開發價值鏈，為藥廠研製新藥創造最佳的解決方案。冠科的加入將可強化 JSR 公司既有的產、學、醫合作機制，提供領先的工具和技術，將科研能力有效轉譯至未來的臨床醫學。

Through this strategic merger, JSR aspires to expand its base for chemical materials by increasing its innovative competitiveness to extend its medicine development value chain, with an attempt to provide better solutions to new medicine research and development for pharmaceutical companies. The partnership with CrownBio is expected to strengthen the existing cooperation among the industry, academia and hospitals, offer leading instruments and techniques and effectively translate the scientific research capabilities into the future clinical medicine.

3. 何謂「反三角合併」？為何 JSR Corporation 與本公司採用反三角合併？

What is a “reverse triangular merger”? And why is the method used in the case of JSR Corporation and CrownBio?

- 1) 開曼群島公司法並無區別一般合併及反三角合併。在反三角合併的情形下，買方(下稱「母公司」)設立一個 100%持有基於合併目的所設之子公司(下稱「合併子公司」)，而此合併子公司將與標的公司合併而由標的公司為存續公司。標的公司現有股份仍將會被註銷而由標的公司股東取得對價作為交換，而每一股之合併子公司股份將交換為一股標的公司之股份，而使標的公司為母公司所全數持有。

The Cayman Islands Companies Law does not distinguish between a straightforward merger or a reverse triangular merger. In a reverse triangular merger, a wholly-owned subsidiary ("Merger Sub") of the parent company ("Parent") is founded exclusively for the purpose of the merger. The Merger Sub is to merge with and into the target company, with the target company continuing as the surviving company. Each of the target company's shares issued will be cancelled and cease to exist in exchange for consideration for its shareholders, and each of the shares issued by the Merger Sub will be exchanged for shares of the target company, hence making the target company a wholly-owned subsidiary of the Parent.

- 2) 反三角合併有以下優點:
 - (i) 相較於公開收購的方式，反三角合併方式可以縮短母公司取得標的公司 100%股份所需時間。
 - (ii) 冠科為存續公司而無須因本交易而取得冠科現存合約相對人之同意。
 - (iii) 冠科的各個子公司無須因上層股東主體變動而踐行所需之程序。
 - (iv) 冠科因營業所需所取得的同意、核准及執照無須因此被註銷。

There are certain advantages under a reverse triangular merger:

- (i) It shortens the time required for the Parent to acquire all the shares of the target company, compared with a tender offer.

- (ii) As a surviving company of the merger, CrownBio is not required to obtain approval from existing contract offerors/offerees.
- (iii) No further procedures are required from the subsidiaries of CrownBio due to the change of its shareholding.
- (iv) Approvals, authorizations and licenses already obtained by CrownBio are not required to be cancelled.

4. 合併將對冠科現有股東造成甚麼影響？

What does the merger mean to existing shareholders of CrownBio moving forward?

依據合併契約和計畫，本合併案生效前本公司已發行流通在外普通股將予以註銷，以 NT\$75/股現金對價(無息)方式收購，合併完成後冠科將成為 JSR Corporation 百分之百持有之子公司，於中華民國證券櫃檯買賣中心終止上櫃，並停止公開發行。

Pursuant to the Agreement and Plan of Merger, each of CrownBio's ordinary shares issued and outstanding immediately prior to the effective time of the merger will be cancelled and cease to exist in exchange the right to receive NT\$75.00 per share in cash without interest. Upon the completion of the merger, CrownBio will become the wholly owned subsidiary of JSR Corporation, be delisted from the Taipei Exchange and revoke its status of public issuing company.

5. 合併及下櫃時程為何？股東甚麼時候會收到現金、如何收到？

What is the timeline of the merger and delisting? When, and how, will shareholders receive cash payment?

- 1) 合併案於 12/19/2017 經本公司董事會通過，並與 JSR Corporation 簽定合併契約和計畫。
- 2) 將於 [2/8/2018 召開臨時股東會](#) 決議本合併案。
- 3) 本合併案如經股東會通過，本公司另須取得中華民國證券櫃檯買賣中心終止上櫃核准、金融監督管理委員會證券期貨局撤銷公開發行核准以及中華民國公平交易委員會結合申報核准。
- 4) 合併案規劃於 2018 年第二季完成，相應款項將於合併基準日後約兩週內支付股東。

- 1) The merger was approved by CrownBio's Board of Directors on December 19, 2017, and has since entered into the Agreement and Plan of Merger with JSR Corporation.
- 2) An [extraordinary general meeting of shareholders](#) will be held on February 8, 2018 to discuss the proposed merger.
- 3) Once the merger is approved by the shareholders meeting, CrownBio will apply for the approval to be delisted from the Taipei Exchange, the approval to revoke the statues of public issuing company from the Securities and Futures Bureau of the Financial Supervisory Commission, and passing antitrust scrutiny from the Fair Trade Commission of Taiwan.
- 4) The merger is expected to close before the end of 2Q2018. Upon completion of the transaction. The payment is expected to reach shareholders within two weeks after the effective date of the merger.

6. 股東尚須繳納哪些費用？

Does the payment to shareholders come with extra charges?

股東需繳納證券交易所產生之費用：

- 1) 證交稅 3/1000；
- 2) 交易手續費 (繳付券商) 1.425/1000(如股東有證券帳戶)；
- 3) 匯款可能產生之匯費及郵資。

* 此交易收入屬資本利得，中華民國公民無需繳納境外所得稅。股東若非中華民國公民，則依照當地法規辦理。

** 法人股東可能須繳納之相關稅金，請諮詢會計師及律師。

Shareholders need to pay the following fees incurred from the proposed securities transactions:

- 1) 0.3% of Taiwan securities transactions tax;
- 2) 0.1425% of brokerage fee payable to the securities firm (if the shareholder has a securities account);
and
- 3) Remittance fee/postage which may occur from the remittance.

* The consideration received from this transaction is deemed as capital gain and shareholders who are Taiwanese citizen does **not** need to pay offshore income tax. Shareholders who are citizens outside of Taiwan is subject to laws and regulations of the countries in which he/she takes citizenship.

** Corporate shareholders shall consult their CPA and lawyers regarding the possible tax payable.

7. 新聞稿所提「以合併契約和計畫所訂之交割先決條件成就為前提」，所指為哪些先決條件？
According to the press release, the closing of the merger is subject to “customary conditions precedent” specified in the Agreement and Plan of Merger. What do the conditions include?

- 1) 本合併案需經過本公司股東會決議通過；
- 2) 雙方完成必要的反壟斷申報或核准；
- 3) 本公司取得中華民國證券櫃買中心終止上櫃核准；
- 4) 取得金融監督管理委員會證券期貨局撤銷公開發行核准。

- 1) The merger to be approved by CrownBio’s shareholders meeting;
- 2) To pass antitrust scrutiny from regulators;
- 3) To obtain approval of the Taipei Exchange for CrownBio to be delisted; and
- 4) To obtain approval of the Securities and Futures Bureau of the Financial Supervisory Commission to revoke the status of public trading company.

8. 冠科主要營運地分別在美國及大陸，此合併案是否需經美國或大陸之主管機關核准？

Does the merger require the approval of the regulators in the U.S.A. or China since CrownBio's main places of business operation are in the US and China?

依據合併契約和計畫，本合併需取得之主管機關核准包含反壟斷申報或核准、中華民國證券櫃檯買賣中心核准及金融監督管理委員會核准。本合併案無需取得美國或大陸主管機關核准。

According to the Agreement and Plan of Merger, the closing of the proposed merger is subject to the approval of the regulators including the Taipei Exchange, the Securities and Futures Bureau of the Financial Supervisory Commission, and to pass antitrust scrutiny from the regulators. The merger does not require the approval of the regulators in the U.S.A. or China.

9. JSR Corporation 是否須事先繳交違約保證金？

Is there any deposit required to be paid by JSR Corporation prior to the transaction?

本案非採用公開收購方式，JSR Corporation 無繳納違約保證金之義務。

根據合併契約和計畫，JSR Corporation 應委任本公司之股務：元大證券擔任付款代理人 (Paying Agent)，處理合併對價之支付事宜。JSR Corporation 應於合併生效日前一個營業日，將相當於合併對價之新台幣金額匯入元大證券為支付合併對價的銀行帳戶。

The merger does not require JSR Corporation to pay a deposit prior the transaction as it is not conducted by way of tender offer.

According to the Agreement and Plan of Merger, JSR Corporation should assign Yuanta Securities, the agent for stock affairs of CrownBio, to act as Paying Agent of the transaction. Purchase consideration should be remitted by JSR Corporation to Yuanta Securities in New Taiwanese Dollars's designated account one day prior to the effective time of the merger.

10. 股東可否對本合併案行使異議股東股份收買請求權？

Can a shareholder exercise appraisal right to the merger?

由於冠科是開曼公司，有關異議股東股份收買請求權之相關事項係依開曼群島公司法辦理：

(1) 異議股東必須在股東會決議合併前，向本公司以書面表示反對通知；

(2) 本公司需在股東會決議後 5 個營業日內書面通知所有已為反對通知之股東（下稱「異議股東」）。於通知發送日後 20 日內，異議股東必須向本公司為書面異議通知。

(3) 本公司在合併計畫申報後 7 日內應以書面要約向異議股東提出公平價格，雙方應在 30 日內就價格進行協議，若無法達成協議，本公司應(且異議股東得)在 20 日內向開曼大法院，就所有已為異議通知且不同意本公司之收買公平價格之異議股東所持有之股份訴請求裁定公平價格，開曼大法院將裁定該等異議股東持有之股份公平價格，以及就所裁定之公平價格應付之公平利率（如有），在開曼大法院決定公平價格及利息後本公司才有付款的義務。

完整法條敬請參照開曼群島公司法。

As a Cayman Islands-registered company, in terms of the appraisal rights, CrownBio is subject to compliance with the Cayman Islands Companies Law:

(1) A shareholder who desires to exercise his/her/its entitlement to dissent from the merger shall give to CrownBio, **before** the vote on the merger, **written** objection to the action.

(2) **Within five business days** immediately following the vote on the merger at the shareholders meeting, CrownBio shall give written notice to each shareholder who made a written objection ("Dissenting Shareholders"). A Dissenting Shareholder shall, **within twenty days** following the notice is given, give to CrownBio a written notice of his/her/its decision to dissent.

(3) **Within seven days** immediately following the date the plan of merger is filed, CrownBio shall make a written offer to each Dissenting Shareholder to purchase his/her/its shares at a specified price that CrownBio determines to be their fair value **within thirty days**. If CrownBio and a Dissenting Shareholder fail to agree on the price, within **twenty days** immediately following the period expires, CrownBio shall (and any Dissenting Shareholder may) file a petition with the Grand Court of the Cayman Islands for a determination of the fair value of the shares of all Dissenting Shareholders. At the hearing of a petition, the Grand Court of the Cayman Islands shall determine the fair value of the shares of such Dissenting Shareholders as it finds are involved, together with a fair rate of interest, if any, to be paid by CrownBio upon the amount determined to be the fair value. CrownBio is not obliged to pay unless and until the fair value and the fair rate of interest have been determined by the Grand Court of the Cayman Islands.

Please refer to Cayman Islands Companies Law for detailed content.

