



TAIWAN TAICHUNG DISTRICT PROSECUTORS OFFICE Press Release

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Taichung District Prosecutors Office Concluded the Investigation into the Case of Raking in Money by Technology Website and Initiated the Public Prosecution against the Offenders

In order to strengthen the crackdown on underground finance and illegal groups committing raking in money, Prosecutor Huang Yu-Feng of Taichung District Prosecutors Office (“the Office”) commanded the prosecutor investigators of the Serious Case Support Center, Taichung Investigation Branch of the Investigation Bureau of Ministry of Justice, Central Crime Prevention Center of Criminal Investigation Bureau, the Sixth Precinct of Taichung City Government Police Department, and Special Police Fourth Headquarters of National Police Agency, Ministry of the Interior to form a task force of which nearly a hundred colleagues were mobilized on the project, thereby successfully arresting the defendants containing Xu ○ Technology Co., Ltd. (hereinafter referred to as “Xu ○”), Chen ○○ (who is representative of Xu ○ Company) and others that violated the Banking Act. After investigation, all the 15 suspects including Chen ○○ were found guilty of the above crime. Accordingly the prosecutor initiated a public prosecution against them in Taiwan Taichung District Court.

As found in the investigation, defendant Xu ○ Company set up a website of "Debt Investment P2B Online Financial Management", soliciting unspecified people to invest in the website's "claim transfer plan" by holding public investment briefings to promote "claim transfer and trading", "paying agreed remuneration on a monthly basis, and repaying the principal when due", "bad debts with repurchase agreement" and "annual return rate of 7% to 12%". The defendants claimed that in addition to earning monthly interest with annual interest rates ranging from 7% to 12%, investors will receive back the full investment principal upon maturity. Since July 2014 to date, a total of 361

domestic and foreign debt investment plans have been offered, attracting nearly 10,000 investors to subscribe for small and medium-sized enterprises or individual debt plans in Taiwan, Singapore, Malaysia, and Cambodia. The offering amount has reached TWD 7.35186 billion.

During the investigation, Taiwan Taichung District Court approved seizure of a piece of real property registered under the name of the group's main suspect Chen ○ ○ and 5 financial accounts under the name of Xu ○ Company. During the search, more than TWD3.85 million in cash, 19 Patek Philippe and other designer watches were seized on the spot, some of which have a single market value in excess of TWD3 to 4 million. A rough estimate of the illegal criminal proceeds seized is over TWD144.26 million. In addition, evidence such as NAS host and several batches of other electromagnetic records, hard copy documentation of debts, contracts, company hard copy materials, mobile phones, and laptops, etc. were seized. When completing the investigation, prosecutor of the Office initiated a public prosecution against the defendants containing Xu ○ Company and the 15 people including the company representative Chen ○ ○. The prosecutor petitioned the court to declare confiscation of all the above seized items, and the 2014-2023 investment value (illegal gains) TWD7,351,862,718 received by Xu ○ Company after deduction from it the amount to be returned to the victims and the compensation for those to whom damage has been caused in pursuance of the provisions of Article 136-1 of the Banking Act and Article 38-1, Paragraph 3 of the Criminal Code. If the whole or a part of the seized items cannot or is not suitable to be confiscated, the value shall be levied.

The Office calls on the fellow countrymen to invest and manage money through legitimate and legal channels and to be especially cautious in the investment plans that emphasize guaranteed profits and high rates of return under various names, and do not trust the investment jargon of criminals. The prosecutors, police officers and investigators will continue to work together and make every effort to protect people's property, implement projects to crack down on illegal money flows, maintain social stability and national economic stability, and demonstrate the government's determination to crack down on illegal act for raking in money and fraud crimes.

