



## Press Release

### Taipei District Prosecutors Office

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Media Contact: Deputy Chief Prosecutor Chou

Contact Number: ( 02 ) 23146881

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In response to the misleading statements former president Mr. Ma Ying-jeou made in today's KMT Party regular meeting, Taipei District Prosecutors Office (we or the Office) clarifies as following:

1.Defendants'(including Mr. Ma ) selling of the China Television Company (China TV) stocks at the price of NTD 6.5 per share was undoubtedly under severely diminished valuation.

( 1 ) China TV, as a listed company, shall conduct its security transactions in the open market through public tender offer and bidding or other legal trading processes in accordance with relevant laws and regulations. Defendants (controlling China TV) shall not sell China TV and the other two companies'stocks and assets at such diminished price under their cleverly designed scheme with eight-layer covers.

The Office has pronounced on July 10, 2018 the facts that the closing price of the China TV stocks on December 23 (no trading on December 24) 1994 was NTD 11.50 and the average closing

price from that date to April 3, 1995 was NTD 10.10 per share. Defendants' selling of the China TV stocks for NTD 6.5 per share was apparently a serious low priced deal.

- ( 2 ) Evidences (containing defendant Ma's speaking record) show that Ma, in a KMT Party internal meeting on March 12, 1995, said "It is ridiculous"" Unless we had an agreement at the beginning, they cannot gain such huge profit of near 500 million from far below the market price we would offer" when he first learned that Mr. Yu (dealer) demanded benefits by trading the China TV stocks. Ma already knew that the price of NTD 6.5 per share was unreasonably low in the market.
- ( 3 ) Other facts regarding defendants' selling of the China TV stocks at the severely diminished price can be found in the indictment (page 85 to 140 and page 571 to 608) supported by the 17 testimonies and 71 documentary evidences that are clear and convincing.

2.The investigation and the eventual indictment by the Office are unquestionably legitimate.

The grounds for re-investigating this case, after the Special Investigation Division ended its investigation on July 31, 2014, have been stated in the indictment (page 514) as well as in the press releases of July 10 (page 78) and July 13, 2018. No doubts we have fulfilled due process.

3.The indictment does not invoke the Act Governing the Settlement of Ill-gotten Properties by Political Parties and Their Affiliate Organizations ("the party unjust assets act").

We have confirmed in the press releases on July 12 and 13, 2018 that no part of this indictment invokes "the party unjust assets act". Defendants were charged for their sale of KMT Party assets in violations of Article 171 of the Securities and Exchange Act and Article

342 of the Criminal Law.

Sufficient evidences prove that defendants committed crimes of irregular transactions (Non-arm's Length) by enriching the third party with huge illicit profits.

We have made clear that the crimes of irregular transactions and breaches of trust defendants committed under the Security and Exchange Act and Criminal Law do not require defendants themselves having received financial gains. Even defendants did not get themselves any financial benefit, their illegal cheap sales enriching the third party's pocket hugely at the expense of KMT Party assets already constitute the above mentioned crimes.

4. The Central Investment Company did prepare with NTD 60 million for any potential lawsuits.

The Office press releases of July 10 (page 33, 35) and July 13, 2018 have provided the facts regarding the Central Investment Company's prepared funds of NTD 60 million for any potential lawsuits.

5. We look forward to a speedy trial that will disclose "all" audio evidences and the speech scripts for public scrutiny.

In order to protect people involved in this case, we disclosed only some audio records (see our July 13, 2018 press release). If defendant Ma wishes all records be disclosed, he should file a motion to the trial court. We are willing to see a full disclosure of evidences in the open trial.

6. Defendants' false and shirking statements afterward are one reason the Office found they conduct the criminal proceeding in bad manners.

Our press releases of July 10 and July 13, 2018 indicated that prosecutors were seeking an adequate sentence based on defendants' false and shirking statements during criminal proceedings. The indictment is neutral and says nothing on Ma exercising his right to

remain silent.

7. The evidences in this case will prove the truth. Defendants shall not obstruct judicial operation through any populism manipulation.

The investigation of this case has been fair and impartial in accordance with laws without any political consideration. We hope that Mr. Ma will deal with the trial in the context of evidences and rationale and never resort to emotional or populism means to disrupt the judicial truth-seeking process.