



Press Release

Taipei District Prosecutors Office

Release Date: Sep. 18, 2015

Media Contact: Deputy Chief Prosecutor Chang

Contact number: (02)23146881

Howarm United Industries Company Former Chairman and conspirators in violation of the Criminal Code and the Securities and Exchange Act indicted today

Chairman Liu of Howarm United and his fellow conspirators plundered Howarm's assets. Liu sold 44 plots of Howarm's land, with a net estimated value of NT\$3 billion, to his friends, side companies, and underground creditors for mere NT\$500 million. Liu hid these actions from the stock holders by forging the minutes of the board of directors meetings. Furthermore, Liu embezzled large amounts of company money by directly repaying his loans to underground banks with company assets and by arranging Howarm to guarantee huge personal loans on his behalf, without compensation.

Beginning in 2013, Chairman Liu and co-conspirators engaged in a massive stock manipulation strategy, inflating Howarm's stock price. By continuously trading shares of Howarm between a series of dummy corporations and dummy accounts at agreed upon high prices, they materially inflated the price of the otherwise illiquid over-the-counter stock. For years, their prearranged trades constituted a huge percentage of the daily volume of Howarm stock traded.

Mr. Liu et al. are in violation of § 171 I ③, § 171 II, §174 I ⑧, §155 I ③④, §155 II, and § 171 I ① of the Securities and Exchange Act as well as §210, §216 and §342 of the Criminal Code.