



Press Release

Taipei District Prosecutors Office

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The investigation conducted by Pei-Shan Tsai of the Taipei District Prosecutors Office (TDPO) on Defendant Zeng and the others suspected for illegal deposit fundraising activities(the im. B platform case) has been ended, as briefly stated below:

I. THE INVESTIGATION CONCLUSION

1. The defendant Zeng(曾○鋒) and the others were respectively indicted for (a) violating Article 29, Paragraph 1, of The Banking Act of The Republic of China, thereby obtaining property or property interests from such crimes of one hundred million new Taiwan dollars (NT\$100,000,000) or more. (b) initiating, hosting, controlling or directing a criminal organization, or acting as a participant of such criminal organization. (c) committing the offense of fraud under Article 339 of the Criminal Code of the Republic of China(CCRC) by three or more people. (d) causing a public official to make in a public document an entry which such a person (or people) knows to be false and causing injury to the public or another. (e) involving in money laundering activities by knowingly disguising or concealing the origin of the proceeds of specified unlawful activity, or transferring or converting the proceeds of specified unlawful activity to help others avoid criminal prosecution. (f) causing the concealment of an offender or a person who has escaped from legal arrest or custody.
2. **The defendant Taiwan KINLONG Technology Co., Ltd.(hereinafter referred to as Taiwan KINLONG Company)** being a legal entity where the defendant Zeng worked as a general manager shall also be punished by the administrative fine or criminal fine described in such article mentioned above.

II. Facts of the offenses

The defendant 曾○鋒, a fugitive of Taiwan, claiming himself as " 曾○緯" established a real estate debt matching platform in 2016 and later a lending platform called im.B in 2018. 張○芬 as the vice general manager of im.B helped operating the platform. To evade The Banking Act of The Republic of China, 曾○鋒 and 張○芬 recruited 12 individuals, including 曾○祥, to act as the original debtors (i.e., straw buyers) for Taiwan KINLONG Company. They falsely acted as the loans were extended by these original debtors which led these borrowers to provide real estate as collateral or the borrowing companies to provide post-dated accounts receivable checks as security. Then, they appeared to match these original debtors' debt to unspecified investors through the im.B platform, but in reality, the funds lent were contributed by investors (i.e., later investors' money covered earlier loans), and the original debtors merely provided their personal accounts to the company for receiving investment funds. They also falsely claimed to provide interest rates ranging from 9% to 13% based on the investment amount, with a promise to return the principal at the end of the term in order to solicit more external investors. Moreover, starting from 2019, they repeatedly listed closed real estate debt and fraudulent discounted notes for investment on the platform. In total, from June 29, 2016, to May 2, 2023, im.B had absorbed a total amount of NT\$9,091,680,900 (with 537 investors who had already taken legal actions, contributing a total of NT\$1,740,905,142).

III. Suggestions for sentencing

We recommend the court to consider that the defendant 曾○鋒 operated the platform for a period of 7 years, accumulated a total fund of over NT\$9 billion while disregarding the government prohibition on non-banking entities operating and accepting deposits resulting to significant harm to the implementation of national financial policies and disrupting the order of financial transactions. We recommend that

the court impose severe penalties on the defendant 曾○鋒 and the other five individuals involved.

IV. Seizure and Confiscation

1. Proceeds of the offenses

In this case, the total seized assets include cash, deposits, and the illegal gains after revaluation amount to NT\$23,562,526,100, insurance contract debt valued at NT\$6,279,000, NT\$3,282,531 in stocks, and 62 parcels of land and 16 buildings(with a combined assessed present value of NT\$564,282,655).

2. Confiscation

The mentioned assets are all proceeds of the crime committed by the defendant 曾○鋒, please declare confiscation and value collection in accordance with Article 136-1 of the amended The Banking Act of The Republic of China and Article 38-1, paragraph 3 of Criminal Code of the Republic of China.