

Chairwoman of Drinks Maker Oceanic Beverage Co., Inc Indicted by Prosecutor

The chairwoman and general director of Oceanic Beverage Co., Inc. (大西洋飲料), Sun Yu-ying, has been indicted by New Taipei prosecutor on charges of breach of trust and fraud. Ms. Sun is accused of making the drinks maker conduct transactions to its disadvantage and siphoning money for herself.

In March 2019, it was reported Oceanic Beverage Co., Inc. the maker of Apple Sidra (蘋果西打), a well-known soda, failed to file its financial statements to Taiwan Stock Exchange Corporation because auditors from PricewaterhouseCoopers Taiwan could not verify the real estate transaction records and payment transfers. Prosecutor conducted an investigation into the possible fraudulent transactions, searched the eight locations and froze several bank accounts.

Prosecutor found numerous of irregularities in real-estate and loan transactions the company had been involved with in 2018. After questioning relevant personnel, and analyzing the transaction-related documents, prosecutor alleged the counterparty of these transactions were all controlled by Ms. Sun, and the main purpose of these transactions was to hollow out Oceanic Beverage Co., Inc. and to transfer money for Ms. Sun's benefit.

According to the indictment, Ms. Sun ordered the drinks maker to conduct disadvantageous real estate transactions with troubled GuoShing Food Co., Inc. (國信食品), a company wholly controlled by Ms. Sun, which caused a loss up to New Taiwan dollar 508 million. The defendant also gained huge profit from making Oceanic Beverage Co., Inc. pay for fraudulent sugar transactions from 2013 to 2019, amounting to NTD 103 million.

Prosecutor alleged Ms. Sun has violated Paragraph 1 and 2, Article 171 of Securities and Exchange Act and Article 71 of Commercial Account Law, and charged her with fraud, breach of trust, and misappropriating company assets. If convicted, she might face imprisonment for not less than 7 years. In addition, the financial manager of Oceanic Beverage Co., Inc. is also indicted as an accomplice.