

Acer's Managers Charged with Insider Trading by Prosecutor

Two senior employees of Acer Inc. and three other people were charged by New Taipei District Prosecutors Office as part of an investigation into insider trading of the PC manufacturer's shares.

Former Acer's spokesman Henry Wang and investor-relations division senior manager Chen Chiung-yuan, along with Lo Fang-ju, an employee at a securities company, Yang Chin-lung, a professional investor, as well as Tsao Chin-ming were charged. Prosecutor declined to bring charges against other three people due to the insufficiency of evidence.

Investigation showed that after learning about the third-quarter net losses of NT\$13.1 billion of Acer in an internal meeting headed by then-Chairman and CEO J.T. Wang Nov. 1, 2013, Wang and Chen revealed the information to Lo and Yang. Lo, Yang, and Tsao then sold their Acer shares prior to the public announcement of the losses, and bought the shares back later, acquiring illegal benefits of NT\$2.17 million.

Acer's stocks tumbled 6.88 percent on November 6, the day after disclosing the huge losses, 9.24 percent from November 6 to 8, and 11.98 percent 10-day average since the disclosure.

The suspects were all accused of violating the Securities and Exchange Act. Chen and Tsao were charged as accessories to the insider trading, while the others were principal offenders. Some defendants have pleaded guilty and returned illegal benefits of NT\$1.67 million, prosecutor said.

The Prosecutors Office reiterated that insider trading undermines investor confidence in the fairness and integrity of the securities markets, and prosecutors have treated the detection and prosecution of insider trading violations as one of its enforcement priorities. The Prosecutors Office also gave special thanks to Acer Inc. for its assistance during the investigation.