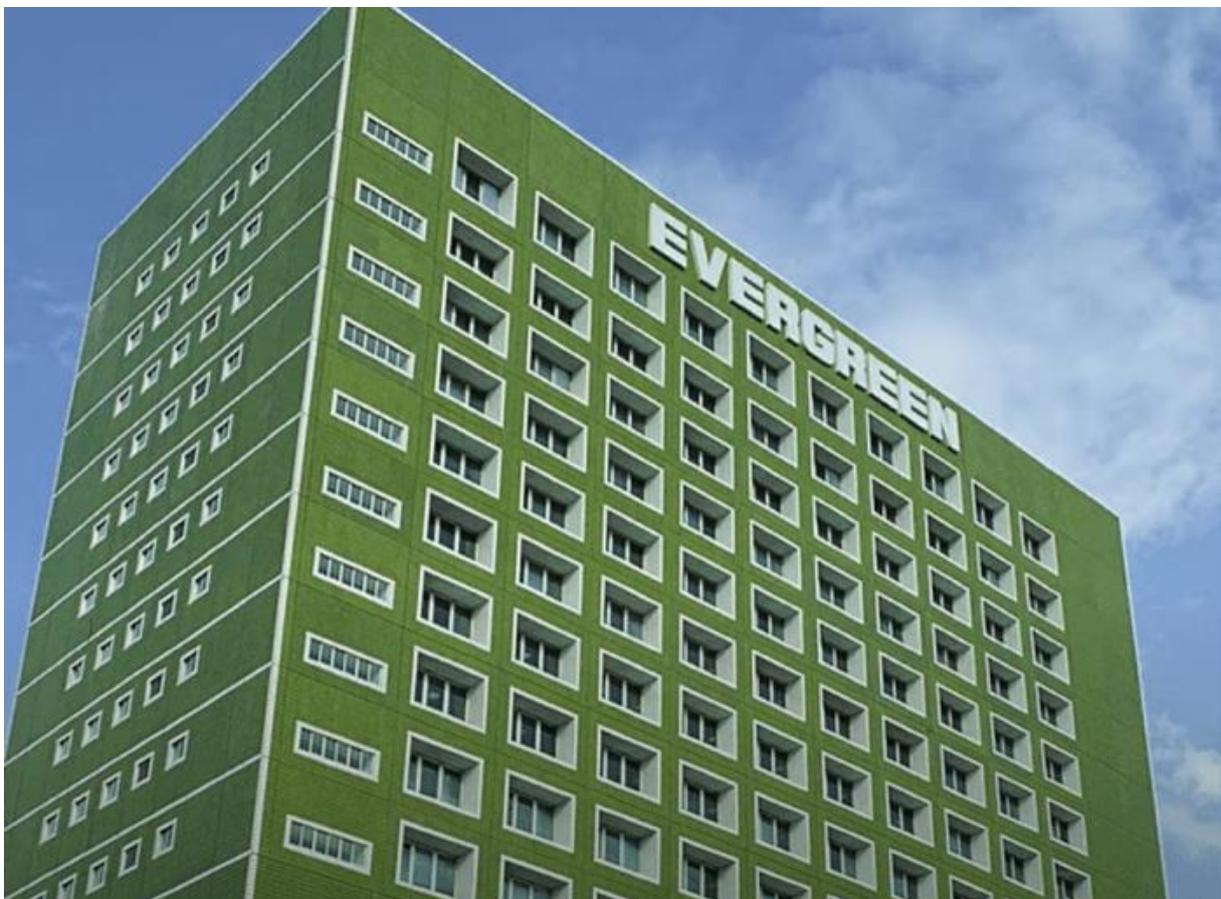


Evergreen heirs' battle takes new twist with insider trading accusation

April 23, 2024



The tussle between the eldest and youngest sons of the Evergreen group's late founder, Chang Yung-fa, intensified on 22 April, after the eldest son, Chang Kuo-hua, was accused of reaping an illicit profit of nearly US\$64 million, allegedly through insider trading of Evergreen Marine Corporation's shares.

Accused with Chang Kuo-hua is another EMC director, Ko Li-ching.

The accuser, lawyer Lin Wen-peng, one of EMC's minor shareholders, filed his complaint with the Taipei District Prosecutor's Office. Lin is understood to be

an ally of Chang Kuo-hua's youngest brother, Kuo-wei. Lin's accusation is widely seen as Chang Kuo-Wei's indirect initiation of a legal battle

Following Chang Yung-fa's death in 2016, his four sons began a struggle for control over the Taiwanese shipping and aviation group, which includes EVA Airways. The patriarch named Chang Kuo-wei, borne of his second wife, as his successor in his will, but this was not accepted by his older brothers, who were all borne of their father's first wife.

Chang Kuo-wei was subsequently removed from the family business and he established Starlux Airlines, although he somewhat returned to the fold in 2022, as chairman of EVA Airways' domestic carrier, Uni Air. In the past year, his older brothers are understood to have acted to separate EMC from EVA Airways, selling off cross-affiliated shares.

In response to Lin's accusation, Chang Kuo-hua issued a statement denying any wrongdoing, and called for rational communication, saying that any disputes with his brothers should not implicate "innocent people".

He explained, "On the ex-dividend date of EMC's stocks on 30 June last year, I purchased a huge amount of shares in an after-hours transaction, intending to increase my stake in EMC. I haven't sold any stocks so far and have no plan to sell my shares. The transaction was declared in accordance with the law, and there was no insider trading, let alone any profit."

Chang Kuo-hua said he has dedicated his life to the shipping business, and in 2017 and 2018, when EMC struggled due to structural overcapacity, he did not hesitate to support the company by buying additional shares.

He added, "Some people have manipulated the media and abused the judicial process by implying that Ms Ko and I have engaged in insider trading, amid a recurrence of disputes over the group's management rights. I'm a law-abiding citizen and will fully cooperate with any investigation."

Martina Li
Asia Correspondent