



Press Release

6 December 2021

Shareholder Meetings Approve the Acquisition of EnTie Commercial Bank by IBF Financial Holdings

The Longreach Group expects shareholder democracy to be respected and regulatory review to proceed free from interference

The Longreach Group (“Longreach”) notes that on 2 December 2021 the shareholders of IBF Financial Holdings (“IBF”) and EnTie Commercial Bank (“EnTie”) voted at their respective Extraordinary Shareholders Meetings to approve the acquisition of EnTie by IBF on the terms previously approved by the Boards of both IBF and EnTie on 14 October 2021 (the “Transaction”). The votes were executed with all due process and the shareholder approvals of the Transaction were by decisive supermajorities. This creates the basis to seek formal regulatory approval of Transaction.

Longreach is the majority shareholder of EnTie and is fully committed to the Transaction. The combination of IBF and EnTie will create a strong and well positioned new financial institution, that will contribute to and be a credit to the Taiwanese financial system.

Longreach notes with concern the actions of certain minority shareholders of IBF, acting in their own personal interests to attempt to delay or block the Transaction by seeking to negate the shareholder approvals of the Transaction, threatening abusive litigation and by attempting to bring improper pressure to bear on various parties, including the Financial Supervisory Commission (“FSC”). Given that, Longreach will take any appropriate actions necessary to avoid the interference with shareholder democracy, the disenfranchisement of its investors, and the significant damage that would be caused if the improper actions to subvert the Transaction were allowed to prevail.

Longreach Group Chairman and Partner Mark Chiba, who is a Director of EnTie and has led Longreach’s investment in EnTie since it was made in November 2007 made the following comments:

“Over 14 years ago, with the encouragement of the Taiwan Government and regulators, Longreach brought a distinguished group of global private equity investors to take a majority shareholding position in EnTie. These investors were mainly from the United States, with a significant balance from Japan and Europe. They include renowned public and private pension funds, universities, endowments and foundations, funds and financial institutions – in turn



representing many individual savers and investors. None of our investors are from the People's Republic of China, contrary to the fictitious claims of certain interest groups. We invested to recapitalize and revive EnTie, to create a strongly managed, capitalized, and performing bank, as a sound contributor to Taiwan's financial system. Despite the unexpected challenges of the Global Financial Crisis and other economic dislocations over the years, these objectives have been fully achieved.

However, it is also notable that on occasions over many years, other promising exit opportunities were derailed at the behest of narrow interest groups with political influence. Throughout all the challenges and hurdles thrown at us, EnTie's management and staff have remained fully dedicated, professional, and committed to the performance and integrity of the Bank. The Transaction has been properly and very fairly negotiated and represents the best possible outcome for all parties in all the circumstances. And our investors have remained patient and trusting in the ultimate integrity of Taiwan's political and regulatory processes.

Therefore we respectfully ask that the Government and its regulatory bodies appropriately protect shareholders, including our investors, and reject interest groups that seek to subvert shareholder democracy and due processes. We again note that our investors were welcomed to Taiwan in 2007 but despite their delivery of commitment and patience they effectively have been locked up in the investment due to political factors. Our investors seek no special treatment, only respect for shareholder democracy and due protection under legal processes, free from inappropriate pressures on the achieved clear majority shareholder approvals and on timely regulatory process. Taiwan's reputation with leading investors globally also depends on this outcome.

Longreach remains fully committed to seeing through the Transaction and to again bringing great global investors to Taiwan. But such investor commitment can only continue based on a fair, transparent and rules based investment environment.”

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Background on The Longreach Group (URL: <http://www.longreachgroup.com/>)

The Longreach Group is an established independent private equity firm with offices in Hong Kong and Tokyo. The firm focuses on Japan and related Greater China control buyouts in the mature industrial and technology, consumer, business services and financial services sectors. The firm manages Funds which have accumulated approximately US\$2.1 billion of committed limited partner and co-investment capital and has a strong track record of portfolio company value creation and realizations.

The Longreach Group Companies include the funds that serve as the investment companies, The Longreach Group Limited, which is based in Hong Kong, and The Longreach Group, Inc. which is based in Tokyo, Japan. The Longreach Group, Inc. collects and analyses data and information concerning the Japanese and Asian markets and assists The Longreach Group Limited in identifying potential investment opportunities.