

## MIRA INFORM REPORT

Report No. :	524038
Report Date :	09.08.2018

### IDENTIFICATION DETAILS

Name :	SOCO MACHINERY CO., LTD.
Registered Office :	No.3, Jingke E. Rd., Nantun Dist., Taichung City 40852
Country :	Taiwan
Date of Incorporation :	28.08.1979
Com. Reg. No.:	52579072
Legal Form :	Joint Stock Company
Line of Business :	Manufacturing and Sales of Tube Cutting Machines, etc.
No. of Employees :	About 220

### RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> January 2017)

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	No Complaints
Litigation :	Clear

#### NOTES :

Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto:infodept@mirainform.com) while quoting report number, name and date.

### ECGC Country Risk Classification List

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Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Taiwan	A1	A2

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

### **TAIWAN - ECONOMIC OVERVIEW**

Taiwan has a dynamic capitalist economy that is driven largely by industrial manufacturing, and especially exports of electronics, machinery, and petrochemicals. This heavy dependence on exports exposes the economy to fluctuations in global demand. Taiwan's diplomatic isolation, low birth rate, rapidly aging population, and increasing competition from China and other Asia Pacific markets are other major long-term challenges.

Following the landmark Economic Cooperation Framework Agreement (ECFA) signed with China in June 2010, Taiwan in July 2013 signed a free trade deal with New Zealand - Taipei's first-ever with a country with which it does not maintain diplomatic relations - and, in November of that year, inked a trade pact with Singapore. However, follow-on components of the ECFA, including a signed agreement on trade in services and negotiations on trade in goods and dispute resolution, have stalled. In early 2014, the government bowed to public demand and proposed a new law governing the oversight of cross-Strait agreements, before any additional deals with China are implemented; the legislature has yet to vote on such legislation, leaving the future of ECFA uncertain. President TSAI since taking office in May 2016 has promoted greater economic integration with South and Southeast Asia through the New Southbound Policy initiative and has also expressed interest in Taiwan joining the Trans-Pacific Partnership as well as bilateral trade deals with partners such as the US. These overtures have likely played a role in increasing Taiwan's total exports, which rose 11% during the first half of 2017, buoyed by strong demand for semiconductors.

Taiwan's total fertility rate of just over one child per woman is among the lowest in the world, raising the prospect of future labor shortages, falling domestic demand, and declining tax revenues. Taiwan's population is aging quickly, with the number of people over 65 expected to account for nearly 20% of the island's total population by 2025.

The island runs a trade surplus with many economies, including China and the US, and its foreign reserves are the world's fifth largest, behind those of China, Japan, Saudi Arabia, and Switzerland. In 2006, China overtook the US to become Taiwan's second-largest source of imports after Japan. China is also the island's number one destination for foreign direct investment. Taiwan since 2009 has gradually loosened rules governing Chinese investment and has also secured greater market access for its investors on the mainland. In August 2012, the Taiwan Central Bank signed a memorandum of understanding (MOU) on cross-Strait currency settlement with its Chinese counterpart. The MOU allows for the direct settlement of Chinese renminbi (RMB) and the New Taiwan dollar across the Strait, which has helped Taiwan develop into a local RMB hub.

Closer economic links with the mainland bring opportunities for Taiwan's economy but also pose challenges as political differences remain unresolved and China's economic growth is slowing. President TSAI's administration has made little progress on the domestic economic issues that loomed large when she was elected, including concerns about stagnant wages, high housing prices, youth unemployment, job security, and financial security in retirement. TSAI has made more progress on boosting trade with South and Southeast Asia, however, which may help insulate Taiwan's economy from a fall in mainland demand should China's growth slow in 2018.

Source : CIA

## **CONTACT POINTS**

Company Name: SOCO Machinery Co., Ltd.  
Supplied Name: SOCO MACHINERY CO LIMITED  
Trading Address: No.3, Jingke E. Rd., Nantun Dist., Taichung City 40852,  
Taiwan  
Supplied Address: Taiwan  
Telephone Number: +886-4-23591888  
Fax Number: +886-4-23592386

**Notes:** The exact name and address are as above.

## **COMPANY IDENTIFICATION DETAILS**

Registered Name: SOCO MACHINERY CO., LTD.  
Registered Address: No.3, Jingke E. Rd., Nantun Dist., Taichung City 40852,  
Taiwan  
Date of Foundation: 1979-08-28  
Registration Number: 52579072  
Registry: Taichung City Government  
Registered Capital: NTD 399,862,490 (USD 13,195,462)  
(As of 2018.8, 1 NTD = 0.033 USD)  
Paid-up Capital: NTD 399,862,490 (USD 13,195,462)  
Legal Representatives: Zhiyuan Lin  
Legal Form: Joint Stock Company  
Principal Activities: Manufacturing and sales of tube cutting machines, etc.  
Staff: About 220 Employees  
Listed at Stock Exchange: No  
Date of Last Annual Return: 2018-07-10

## **HISTORY**

Subject was incorporated on 1979-08-28 with registered number 52579072 as Joint Stock Company in Taiwan.

## **CORPORATE STRUCTURE**

### **Factories**

1

Name: Taichung Factory  
Address: No.3, Jingke E. Rd., Nantun Dist., Taichung City 40852, Taiwan  
Date of Registration: 2011-08-15

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Factory Registration Number: 66000457  
Factory Manager: Zhiyuan Lin  
Status: In Production  
Date of Last Annual Return: 2011-08-15  
Major Products: 251 Metal hand tool and mold  
291 Metal processing machinery equipment  
292 Other specialized processing machinery equipment  
293 General machinery equipment

2  
Address: No.7, Road 14th, Industrial Zone, Xiehe Li, Xitun Dist., Taichung City,  
Taiwan  
Date of Foundation: 1986-07-07  
Date of Registration: 1986-07-29  
Factory Registration Number: 99669159  
Factory Manager: Zhiyuan Lin  
Status: In Production  
Date of Last Annual Return: 1986-07-29  
Major Products: 259 Other metal products  
291 Metal processing machinery equipment

3  
Name: The 2nd Taichung Factory  
Address: No. 9, Road 14th, Industrial Zone, Xiehe Li, Xitun Dist., Taichung City,  
Taiwan  
Date of Foundation: 1991-10-24  
Date of Registration: 1992-10-21  
Factory Registration Number: 99669160  
Factory Manager: Zhiyuan Lin  
Status: In Production  
Date of Last Annual Return: 1992-10-21  
Major Products: 259 Other metal products  
293 General machinery equipment  
291 Metal processing machinery equipment

4  
Name: The 3rd Taichung Factory  
Address: No. 131, 131-1, Road 1st, Industrial Zone, Xiehe Li, Xitun Dist., Taichung  
City, Taiwan  
Date of Registration: 2003-11-10  
Factory Registration Number: 99669160  
Factory Manager: Zhiyuan Lin  
Status: In Production  
Date of Last Annual Return: 2005-06-20  
Major Products: 251 Metal hand tool and mold  
291 Metal processing machinery equipment  
292 Other specialized processing machinery equipment  
293 General machinery equipment

**Related Companies**

1  
Name SOCO Machinery ( Zhangjiagang ) Manufacturing Co., Ltd

***SOCO MACHINERY CO., LTD. - 524038***

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Address	No.2, Haixin N. Rd., Nanfeng Town, Zhangjiagang, Jiangsu 215628
Tel:	+86-512-58621380
Fax:	+86-512-58620007
2	
Name	DOSOCO Enterprise( M ) SDN BHD
Address	No. 15, Jalan Pengeluaran U1/78, Taman Perindustrian Batu Tiga, 40000 Shah Alam, Selangor Darul Ehsan, Malaysia
Tel:	+603-5510 7072
Fax:	+603-5510 7151
3	
Name	SOCO UK - Langbow Ltd
Address	222 Wolsley Court, Towers Plaza, Wheelhouse Road, Rugeley, Staffordshire WS15 1UW
Tel:	+44 (0)1889 575380
Fax:	+44 (0)1889 578872

## ***SHAREHOLDERS***

### Major Shareholders

Name	Subscription Shares
Zhiyuan Lin	15,873,841
Jinxu Lian	8,975,090
Wanjian Huang	1,854,807
Yiting Lin	3,098,890

## ***MANAGEMENT INFORMATION***

### Core Management

#### Directors

1

Name	Zhiyuan Lin
Position	Board Chairman

2

Name	Jinxu Lian
Position	Director

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3

Name Wanjian Huang  
Position Director

4

Name Yiting Lin  
Position Supervisor

Personnel Structure

Total Employees About 220 Employees

***OPERATION INFORMATION***

Offices & Factories

Add Headquarters  
No.3, Jingke E. Rd., Nantun Dist., Taichung City 40852, Taiwan

Production Information

Subject is engaged in manufacturing of tube cutting machines, etc.  
Subject has factories in Taiwan for production. It is introduced that subject's capacity is over 500 machines produced per month and over 6,000 annually.

Purchase Information

The registered activities of subject:

Business Code	Details
CB01010	Machinery equipment manufacturing
CB01030	Pollution-prevention equipment manufacturing
CE01010	General instrument manufacturing
CN01010	Furniture and installation manufacturing
CP01010	Hand tool manufacturing
F401010	International trade
H703100	Real estate leasing
ZZ99999	Besides licensed business, all other business items those are not banned or restricted

The components and raw materials for production are purchased both home and abroad.

Sales Information

Subject is engaged in sales of tube cutting machines, etc.  
The major products are tube lasers, tube benders, tube cutting machine, solid bar & heavy wall tube cutting machine, non-ferrous cutting machine and tube end finishing machine, etc.  
The brand of the products is "SOCO".  
Subject's sales regions include domestic market, Southeast Asia and America, etc.  
Subject's major customers are manufacturers of tube, etc.

Import and export right:

Import right	Yes
Export right	Yes

## ***SETTLEMENTS***

Purchase

**Domestic Purchase**

Products	Raw materials and components, etc.
Payment Terms	T/T, Cash, etc.

**Import**

Products	Raw materials and components, etc.
Payment Terms	L/C, T/T, etc.

Sales

**Domestic Markets**

Product	Tube cutting machines, etc.
Selling Terms	T/T, Cash, etc.

**Export**

Product	Tube cutting machines, etc.
Selling Terms	L/C, T/T, etc.

## ***FINANCIAL INFORMATION***

Subject has no obligations to disclose its financial statements to the third party according to the relevant policy in Taiwan and the only source from which we can obtain the information is the subject itself.  
Subject's relevant staff declined to disclose its financials citing the grounds of company's confidentiality; from other sources we could not obtain such information, either.

## ***BANKERS***

Subject declined to disclose its bank details; from other source we could not obtain the relevant information, either.

## ***PUBLIC RECORD***

### Mortgage

No chattel mortgage record of subject has been found within the recent 3 months.

### Lawsuit

Up to date of reporting, no existing or latent litigation of the subject has been found.

## ***SPECIAL NOTE***

### **Interview Details**

Name	Ms. Su
Department	Sales Department
E-mail	<a href="mailto:jacobchen@soco.com.tw">jacobchen@soco.com.tw</a>

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.65
UK Pound	1	INR 88.82
Euro	1	INR 79.72
TWD	1	INR 2.24

**Note :** Above are approximate rates obtained from sources believed to be correct

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	VIV
<b>Report Prepared by :</b>	TPT

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**RATING EXPLANATIONS**

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)