

MIRA INFORM REPORT

Report No. :	524839
Report Date :	17.08.2018

IDENTIFICATION DETAILS

Name :	CHINA STEEL CORPORATION
Registered Office :	No.1, Chung Kang Road, Lin Hai Ind. Dist., Hsiao Kang, Kaohsiung 81233, Taiwan, R.O.C.
Country :	Taiwan
Financials (as on) :	30.06.2018 (Consolidated)
Date of Incorporation :	03.12.1971
Com. Reg. No.:	30414175
Legal Form :	Joint Stock Company
Line of Business :	Manufacturing and sale of steel products.
No. of Employees :	About 10,000 Employees

RATING & COMMENTS

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

MIRA's Rating :	A+
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Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

Status :	Excellent
Payment Behaviour :	Regular
Litigation :	Clear

NOTES :

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

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ECGC Country Risk Classification List

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, which may help insulate Taiwan's economy from a fall in mainland demand should China's growth slow in 2018.

Source : CIA

COMPANY NAME AND ADDRESS

Company Name: China Steel Corporation
Supplied Name: CHINA STEEL CORPORATION
Trading Address: No.1, Chung Kang Road, Lin Hai Ind. Dist., Hsiao Kang,
Kaohsiung 81233, Taiwan, R.O.C.
Supplied Address: No.1, Chung Kang Road, Lin Hai Ind. Dist., Hsiao Kang,
Kaohsiung 81233, Taiwan, R.O.C.
Telephone Number: +886-7-802-1111
Fax Number: +886-7-802-2511
E-mail: c00475@mail.csc.com.tw
Website: www.csc.com.tw

Notes: The exact name and address are as above.

COMPANY IDENTIFICATION DETAILS

Registered Name: China Steel Corporation
Registered Address: No.1, Chung Kang Road, Hsiao Kang District, Kaohsiung
81233, Taiwan
Date of Foundation: 1971-12-03
Registration Number: 30414175
Registry: Department of Commerce, Ministry of Economic Affairs,
R.O.C.
Registered Capital: NTD 170,000,000,000 (USD 5,610,000,000)
Paid-up Capital: NTD 157,731,289,960 (USD 5,205,132,568.68)
Legal Representatives: Chaodong Weng
Legal Form: Joint Stock Company
Principal Activities: Manufacturing and sale of steel products, etc.
Staff: About 10,000 Employees
Listed at Stock Exchange: Yes; Stock Code: 2002
Date of Last Annual Return: 2018-07-20

HISTORY

Subject was incorporated on 1971-12-03 with registered number 30414175 as Joint Stock Company in Taiwan.

Subject listed on Taiwan Stock Exchange on 1974-12-26.

CORPORATE STRUCTURE

Factories

1	
Address:	No. 1, Zhonggang Rd., Xiaogang Dist., Kaohsiung City, Taiwan (R.O.C.) No. 17, Donglin Rd., Xiaogang Dist., Kaohsiung City, Taiwan (R.O.C.) No. 38, Daye S. Rd., Xiaogang Dist., Kaohsiung City, Taiwan (R.O.C.) No. 56, Yanhai 3rd Rd., Xiaogang Dist., Kaohsiung City, Taiwan (R.O.C.)
Date of Foundation:	1972-12-12
Date of Registration:	1978-07-17
Factory Registration Number:	64000249
Factory Manager:	Chaodong Weng
Status:	In Production
Date of Last Annual Return:	2017-10-17
Major Products:	241 steel 242 Aluminum 243 Copper 249 other base metals 140 products for wood and bamboo 170 petroleum and coal products 181 basic chemical material 199 other chemical products 210 rubber products 232 refractory, clay construction materials and ceramic products 239 other non-metallic mineral products 251 metal hand tools and molds 252 metal structure and building components 253 metal container 254 metal processing 281 power generation, transmission and distribution of machines 283 cables and wiring accessories 289 other electric power equipment 291 metal processing machinery equipment 292 other specialized machinery and equipment 293 general machinery equipment 301 automobile 302 car body 303 automobile parts 319 unclassified other means of transport and its parts 339 other products
2	
Name	Coal Mixture Processing Factory
Address:	No. 5, Guangyang St., & No. 4, Maoda St., Xiaogang Dist., Kaohsiung City, Taiwan (R.O.C.)
Date of Registration:	2001-07-25
Factory Registration Number:	64005725
Factory Manager:	Nanping Li

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CHINA STEEL CORPORATION - 524839

PAGE NO. : 6

Status: In Production
Date of Last Annual Return: 2017-05-01
Major Products: 249 other base metals
3
Name: The 3rd Cold Rolling Factory
Address: No. 2, Jiaxing St., Xiaogang Dist., Kaohsiung City, Taiwan (R.O.C.)
Date of Registration: 2011-07-12
Factory Registration Number: 64006324
Factory Manager: Wen Yuan Fu
Status: In Production
Date of Last Annual Return: 2017-03-13
Major Products: 241 steel
254 metal processing

Offices

1
Name: Taipei Office
Address: Room A, 28/F., 101 Building, No.7, Section 5, Xinyi Road,
Taipei City, Taiwan
Tel Number: +886-2-8758-0000
Fax Number: +886-2-8758-0007
2
Name: Singapore Office
Address: #14-01 MAS Building, 10 Shenton Way, Singapore 0207
Tel Number: +65-6223-8777
Fax Number: +65-6225-6054
3
Name: Osaka Office
Address: 1F, Nantai Building, 2-20, Minamihonmachi 4-Chome, Chuoku,
Osaka 541, Japan
Tel Number: +81 -6-6910-0888
Fax Number: +81 -6-6910-0887
4
Name: India Office
Address: S-3 Level, Block-E, International Trade Tower, Nehru Place,
New Delhi 110019, India
Tel Number: +91-11-4057-3739
Fax Number: +91-11-4057-3741
5
Address: 88, Chenggong 2nd Rd., Qianzhen, Kaohsiung 80661, Taiwan
Tel Number: +886-337-1111
Fax Number: +886-537-3570

Major Related Companies

1
Name: Dragon Steel Corporation
Address: 100 Longchang Rd, Longjing, Taichung 40301, Taiwan, R.O.C.
Tel Number: +886-4-2630-6088
Fax Number: +886-4-2630-6066

CHINA STEEL CORPORATION - 524839

PAGE NO. : 7

2

Name: Chung Hung Steel Corporation
Address: 317, Yu Liao Road, Chiao Tou District, Kaohsiung 82544,
Taiwan, R.O.C.
Tel Number: +886-7-611-7171
Fax Number: +886-7-611-0594

3

Name: CSC Steel Sdn. Bhd.
Address: 180 Kawasan Industri Ayer Keroh, 75450 Melaka, Malaysia
Tel Number: +606-231-0169
Fax Number: +606-231-0167

4

Name: China Steel Sumikin Vietnam Joint Stock Company
Address: My Xuan A2 Industrial Zone, My Xuan Commune, Tan Thanh
District, Ba Ria-Vung Tau Province, Vietnam
Tel Number: +84-64-393-1168
Fax Number: +84-64-393-2188

5

Name: China Steel Corporation India Pvt. Ltd.
Address: 804, Iscon Atria 1, Gotri Road, Vadodara – 390015, Gujarat,
India
Tel Number: +91-92-2798-9880

6

Name: China Steel Structure Co.
Address: No 500, Zhongxing Rd., Yanchao, Kaohsiung 82447, Taiwan,
R.O.C.
Tel Number: +886-7-616-8688
Fax Number: +886-7-616-8680

7

Name: China Ecotek Corporation
Address: 8F, 88, Chenggong 2nd Rd., Qianzhen, Kaohsiung 80661,
Taiwan, Republic of China
Tel Number: +886-7-333-6138
Fax Number: +886-7-336-3030

8

Name: InfoChamp Systems Corporation
Address: 19F, 88, Chenggong 2nd Rd., Qianzhen, Kaohsiung 80661,
Taiwan, Republic of China
Tel Number: +886-7-535-0101
Fax Number: +886-7-535-0110

9

Name: China Steel Machinery Corporation
Address: 3 Tai-Chi Road, Hsiao Kang, Kaohsiung 81246, Taiwan,
R.O.C.
Tel Number: +886-7-802-0111
Fax Number: +886-7-802-2613

10

Name: China Steel Chemical Corporation
Address: 25F, 88, Chenggong 2nd Rd., Qianzhen, Kaohsiung 80661,

CHINA STEEL CORPORATION - 524839

PAGE NO. : 8

Tel Number: Taiwan, Republic of China
+886-7-338-3515
Fax Number: +886-7-338-3516
11
Name: CHC Resources Corporation
Address: 22F, 88, Chenggong 2nd Rd., Qianzhen, Kaohsiung 80661,
Taiwan, Republic of China
Tel Number: +886-7-336-8377
Fax Number: +886-7-336-8433
12
Name: C. S. Aluminium Corporation
Address: No. 17 Tung Lin Road, Hsiao Kang, Kaohsiung 81260,
Taiwan, R.O.C.
Tel Number: +886-7-871-8666
Fax Number: +886-7-872-1852
13
Name: Himag Magnetic Corporation
Address: 24-1, Chien Kuo Road, Neu-Pu Industrial Dist. Ping Tung 912
Taiwan, R.O.C.
Tel Number: +886-8-778-0222
Fax Number: +886-8-778-0227
14
Name: Changzhou China Steel Precision Materials Corporation
Address: No 18, Changyang Road, Wujin Economic Development
Zone, Changzhou, Jiangsu Province 213149, China
Tel Number: +86-0519-8961-6168
Fax Number: +86-0519-8961-6098
15
Name: China Steel Express Corporation
Address: 24F, 88, Chenggong 2nd Rd., Qianzhen, Kaohsiung 80661,
Taiwan, Republic of China
Tel Number: +886-7-337-8888
Fax Number: +886-7-338-1310
16
Name: China Steel Global Trading Corporation
Address: 10F, 88, Chenggong 2nd Rd., Qianzhen, Kaohsiung 80661,
Taiwan, Republic of China
Tel Number: +886-7-332-2168
Fax Number: +886-7-335-6411
17
Name: GAINS Investment Corporation
Address: 26F, 88, Chenggong 2nd Rd., Qianzhen, Kaohsiung 80661,
Taiwan, Republic of China
Tel Number: +886-7-338-2288
Fax Number: +886-7-338-7110
18
Name: China Steel Security Corporation
Address: 17F, No 247, Minsheng 1st Rd, Sinsing District, Kaohsiung
80046, Taiwan R.O.C.

CHINA STEEL CORPORATION - 524839

PAGE NO. : 9

Tel Number: +886-7-229-9678
Fax Number: +886-7-226-4078
19
Name: China Prosperity Development Corporation
Address: 23F, 88, Chenggong 2nd Rd., Qianzhen, Kaohsiung 80661,
Taiwan, Republic of China
Tel Number: +886-7-536-2500
Fax Number: +886-7-536-2413
20
Name: China Steel Management Consulting Corporation (CMC)
Address: 24F-6, No. 31, HaiBian Road, Lingya, Kaohsiung 80248,
Taiwan, R.O.C.
1 Chung Kang Rd., Hsiao Kang, Kaohsiung 81233, Taiwan,
Republic of China
Tel Number: +886-7-805-1088
Fax Number: +886-7-803-7819

SHAREHOLDERS

Major Shareholders

Name	Subscription Shares
Ministry of Economic Affairs	3,154,709,357
Qun Yu Investment Co., Ltd. (Literal Translation)	1,548,289
Ever Wealthy International Corporation	2,226,265
Gao Rui Investment Co., Ltd. (Literal Translation)	1,335,318
Hong Gao Investment and Development Co., Ltd. (Literal Translation)	1,003,980
Kaohsiung China Steel Enterprise Union (Literal Translation)	7,221,487
Lanfen Gao	2,216

Shareholders' Information:

1
Name: Qun Yu Investment Co., Ltd. (Literal Translation)
Registered Address: 26th Floor, No. 88, Chenggong 2nd Rd., Qianzhen Dist.,
Kaohsiung City 806, Taiwan (R.O.C.)
Date of Foundation: 1997-05-21
Registration Number: 97159912
Registry: Economic Development Board of Kaohsiung City
Government
Registered Capital: NTD 29,900,000
Paid-up Capital: NTD 29,900,000
Legal Representatives: Mingzhu Zhu

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CHINA STEEL CORPORATION - 524839

PAGE NO. : 10

Legal Form: Joint Stock Company
Date of Last Annual Return: 2016-05-09
2
Name Ever Wealthy International Corporation
Registered Address: 25F., No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City 806, Taiwan (R.O.C.)
Date of Foundation: 1999-08-30
Registration Number: 70748331
Registry: Department of Commerce, Ministry of Economic Affairs, R.O.C.
Registered Capital: NTD 2,000,000,000
Paid-up Capital: NTD 1,045,749,820
Legal Representatives: Jianming Li
Legal Form: Joint Stock Company
Date of Last Annual Return: 2018-01-05
3
Name Gao Rui Investment Co., Ltd. (Literal Translation)
Registered Address: 26F., No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City, Taiwan (R.O.C.)
Date of Foundation: 1997-05-21
Registration Number: 97159878
Registry: Economic Development Board of Kaohsiung City Government
Registered Capital: NTD 29,900,000
Paid-up Capital: NTD 29,900,000
Legal Representatives: Yingjuan Li
Legal Form: Joint Stock Company
Date of Last Annual Return: 2017-09-11
4
Name Hong Gao Investment and Development Co., Ltd. (Literal Translation)
Registered Address: 9th Floor, No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City 806, Taiwan (R.O.C.)
Date of Foundation: 2006-09-26
Registration Number: 28292730
Registry: Economic Development Board of Kaohsiung City Government
Registered Capital: NTD 30,000,000
Paid-up Capital: NTD 26,000,000
Legal Representatives: Jiawen Luo
Legal Form: Joint Stock Company
Date of Last Annual Return: 2017-12-07

MANAGEMENT INFORMATION

Core Management

Directors

1	Name	Chaodong Weng
	Position	Chairman of the Board
2	Name	Wensheng Zeng
	Position	Director
3	Name	Fengsheng Wu
	Position	Director
4	Name	Hongnan Lin
	Position	Director & Manager
	Date of Appointment for Manager	2018-3-31
5	Name	Xiqin Wang
	Position	Director & Manager
	Date of Appointment for Manager	2015-10-01
6	Name	Yilang Lin
	Position	Director
7	Name	Zhengyi Weng
	Position	Director
8	Name	Chunsheng Chen
	Position	Director
9	Name	Minxiong Hong
	Position	Independent Director
10	Name	Xuebin Zhang
	Position	Independent Director
11	Name	Lanfen Gao
	Position	Independent Director

Personnel Structure

Total Employees About 10,000 Employees

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OPERATION INFORMATION

Offices & Factories

Headquarters
Add No.1, Chung Kang Road, Lin Hai Ind. Dist., Hsiao Kang,
Kaohsiung 81233, Taiwan, R.O.C.

Production Information

Subject is engaged in manufacturing of steel products, etc.
Subject has factories in Kaohsiung of Taiwan for production.
It is introduced that subject's related companies have factories in Taiwan, India and the mainland of China for production.

Purchase Information

The registered activities of subject:

Business Code	Details
CA01010	Iron and steel smelting
CA01030	Steel casting industry
CA01020	Steel rolling and extruded industry
CA01050	Steel secondary processing industry
CA02080	Metal forging
CA03010	Heat treatment industry
CA04010	Surface treatment industry
E103101	Environmental protection Environmental protection
E602011	Air conditioner engineering
CB01010	Machinery and equipment manufacturing
CC01010	Power generation, transmission and distribution machinery manufacturing
E604010	The machinery installation industry
ZZ99999	Besides licensed business, all other business items those are not banned or restricted.

The raw materials for production are purchased both at home and from abroad.
It is introduced that subject purchases some products from its related companies.
From public files, we found purchasing information of subject's group as following for references:

Product	Origin
Coking coals	Australia, Canada, Indonesia, Mozambique, North Korea and Russia
Iron ore	Australia, Switzerland, Canada, Brazil and Venezuela
Flux materials	Japan, Taiwan, Philippines, Vietnam, the mainland of China and Thailand.

Sales Information

Subject is engaged in sale of steel products, etc.

The major products include steel plates, bars, wire rods, hot and cold rolled coils, electro-galvanized coils, electrical steel coils, hot-dip galvanized coils, and Ti/Ni-base alloy, etc.

Subject's sales regions are Mainland of China, Japan, Thailand, Indonesia, Vietnam, Mexico, Malaysia, India and etc.

Subject's major customers are manufacturing enterprises of metal components, machineries, etc.

It is introduced that the subject has cooperated with many companies such as TECK COAL LIMITED (Canada), BM ALLIANCE COAL MARKETING PTY. LTD. (Australia), VALE S.A. (Brazil), TOSHIBA MITSUBISHI-ELECTRIC INDUSTRIAL SYSTEMS CORPORATION (Japan), STEULER ANLAGENBAU GMBH & CO. KG (Germany) and etc.

Import and export right:

Import right	Yes
Export right	Yes

SETTLEMENTS

Purchase

Domestic Purchase

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

Import

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

Sales

Domestic Markets

Product	Steel products, etc.
Selling Terms	T/T, Cash, etc.

Export

Product	Steel products, etc.
Selling Terms	L/C, T/T, etc.

BALANCE SHEET

Unit: NTD/000

Consolidated

Current assets

2017-12-31

2016-12-31

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Cash and cash equivalents		
Total cash and cash equivalents	12,856,662	15,467,768
Current financial assets at fair value through profit or loss		
Total current financial assets at fair value through profit or loss	4,910,644	3,288,349
Current available-for-sale financial assets		
Current available-for-sale financial assets, net	2,186,156	2,806,737
Current derivative financial assets for hedging	54,131	36,784
Notes receivable, net		
Notes receivable, net	1,797,938	1,233,769
Notes receivable due from related parties, net		
Notes receivable due from related parties, net	309,587	384,078
Accounts receivable, net		
Accounts receivable, net	14,311,437	11,463,575
Accounts receivable due from related parties, net		
Accounts receivable due from related parties, net	355,077	499,185
Construction contracts receivable	9,400,960	8,472,037
Other receivables		
Other receivables, net	1,636,999	1,382,410
Current tax assets		
Total current tax assets	181,204	139,482
Inventories		
Total inventories	87,963,760	79,489,138
Non-current assets or disposal groups classified as held for sale, net		
Non-current assets or disposal groups classified as held for sale, net	212,780	0
Other current assets		
Other current financial assets	10,752,021	11,833,708
Other current assets, others	4,051,059	3,558,170
Total other current assets	14,803,080	15,391,878
Total current assets	150,980,415	140,055,190
Non-current assets		
Non-current available-for-sale financial assets		
Non-current available-for-sale financial assets, net	58,383,988	26,306,913
Held-to-maturity non-current financial assets		
Non-current held-to-maturity financial assets, net	129,750	222,669
Derivative non-current financial assets for hedging	16,237	3,354
Non-current bond investment without active market		
Total Non-current investments in debt instrument without active market	1,854,343	1,932,814
Investments accounted for using equity method		
Investments accounted for using equity method, net	14,729,813	49,528,952
Property, plant and equipment		
Total property, plant and equipment	413,821,236	430,849,587
Investment property, net		
Investment property, net	10,956,078	10,316,142
Intangible assets		

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CHINA STEEL CORPORATION - 524839

PAGE NO. : 15

Total intangible assets	1,938,180	2,488,714
Deferred tax assets	6,192,780	5,372,981
Other non-current assets		
Guarantee deposits paid	700,646	566,022
Other non-current financial assets		
Total other non-current financial assets	2,623,741	3,393,174
Other non-current assets, others		
Other non-current assets, others	5,388,672	5,085,281
Total other non-current assets, others	5,388,672	5,085,281
Total other non-current assets	8,713,059	9,044,477
Total non-current assets	516,735,464	536,066,603
Total assets	667,715,879	676,121,793
Liabilities and equity		
Liabilities		
Current liabilities		
Short-term borrowings		
Total short-term borrowings	35,326,058	35,905,740
Short-term notes and bills payable		
Total short-term notes and bills payable	24,635,582	16,632,100
Current financial liabilities at fair value through profit or loss		
Total current financial liabilities at fair value through profit or loss	247	4,941
Current derivative financial liabilities for hedging	48,218	37,609
Notes payable		
Total notes payable	1,188,154	851,631
Accounts payable		
Total accounts payable	13,261,485	12,484,269
Accounts payable to related parties		
Total accounts payable to related parties	37,377	536,544
Construction contracts payable	5,426,228	3,853,724
Other payables		
Total other payables	23,155,371	21,437,649
Current tax liabilities	3,127,173	2,129,043
Current provisions		
Total current provisions	4,042,476	4,324,106
Other current liabilities		
Long-term liabilities, current portion		
Bonds payable, current portion	11,198,974	5,212,668
Long-term borrowings, current portion	18,549,055	16,210,014
Total long-term liabilities, current portion	29,748,029	21,422,682
Other current liabilities, others	4,323,642	3,530,170
Total other current liabilities	34,071,671	24,952,852
Total current liabilities	144,320,040	123,150,208
Non-current liabilities		
Non-current derivative financial liabilities for hedging	210,325	36,065
Bonds payable		
Total bonds payable	83,852,513	95,037,294

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CHINA STEEL CORPORATION - 524839

PAGE NO. : 16

Long-term borrowings		
Long-term bank loans	57,047,876	70,329,355
Others long-term borrowings	27,613,159	36,626,165
Total long-term borrowings	84,661,035	106,955,520
Non-current provisions		
Total non-current provisions	835,048	815,694
Deferred tax liabilities		
Total deferred tax liabilities	12,205,775	12,261,289
Other non-current liabilities		
Net defined benefit liability, non-current	8,321,780	6,901,619
Other non-current liabilities, others	1,357,376	1,384,411
Total other non-current liabilities	9,679,156	8,286,030
Total non-current liabilities	191,443,852	223,391,892
Total liabilities	335,763,892	346,542,100
Equity		
Equity attributable to owners of parent		
Share capital		
Ordinary share	157,348,610	157,348,610
Preference share	382,680	382,680
Total capital stock	157,731,290	157,731,290
Capital surplus		
Total capital surplus	38,211,082	37,807,466
Retained earnings		
Legal reserve	61,538,216	59,934,379
Special reserve	27,655,869	29,786,846
Unappropriated retained earnings (accumulated deficit)		
Total unappropriated retained earnings (accumulated deficit)	20,033,060	17,196,041
Total retained earnings	109,227,145	106,917,266
Other equity interest		
Total other equity interest	7,372,935	8,680,706
Treasury shares	8,532,389	8,576,842
Total equity attributable to owners of parent	304,010,063	302,559,886
Non-controlling interests	27,941,924	27,019,807
Total equity	331,951,987	329,579,693
Total liabilities and equity	667,715,879	676,121,793
Equivalent issue shares of advance receipts for ordinary share	0	0
Number of shares in entity held by entity and by its subsidiaries	315,166,000	318,007,000

Unit: NTD/000

Consolidated

2018-06-30

Assets

Current assets

Cash and cash equivalents

22,426,280

Current financial assets at fair value through profit or loss

5,352,652

Current financial assets at fair value through other comprehensive

2,164,400

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income	
Current available-for-sale financial assets	0
Current derivative financial assets for hedging	0
Current financial assets for hedging	2,583,567
Current contract assets	11,380,516
Notes receivable, net	1,796,392
Notes receivable due from related parties, net	512,860
Accounts receivable, net	15,168,215
Accounts receivable due from related parties, net	812,320
Construction contracts receivable	0
Other receivables	2,252,283
Current tax assets	248,295
Current inventories	88,642,705
Non-current assets or disposal groups classified as held for sale, net	1,442,532
Other current assets	19,438,107
Other current financial assets	14,915,453
Other current assets, others	4,522,654
Total current assets	174,221,124
Non-current assets	
Non-current financial assets at fair value through profit or loss	1,910,359
Non-current financial assets at fair value through other comprehensive income	59,811,199
Non-current available-for-sale financial assets	0
Non-current held-to-maturity financial assets	0
Derivative non-current financial assets for hedging	0
Non-current financial assets at amortised cost	42,744
Non-current financial assets for hedging	79,676
Non-current investments in debt instrument without active market	0
Investments accounted for using equity method	14,910,234
Property, plant and equipment	408,272,012
Investment property, net	9,663,271
Intangible assets	1,856,572
Deferred tax assets	7,339,809
Other non-current assets	8,491,221
Guarantee deposits paid	616,746
Other non-current financial assets	2,285,888
Other non-current assets, others	5,588,587
Total non-current assets	512,377,097
Total assets	686,598,221
Liabilities and equity	
Liabilities	
Current liabilities	
Current borrowings	45,777,597
Short-term notes and bills payable	37,888,871
Current financial liabilities at fair value through profit or loss	25,122
Current derivative financial liabilities for hedging	0
Current financial liabilities for hedging	4,706,718
Current contract liabilities	6,521,196
Notes payable	1,231,250

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Accounts payable	14,509,730
Accounts payable to related parties	130,923
Construction contracts payable	0
Other payables	37,910,478
Current tax liabilities	2,646,639
Current provisions	5,661,538
Other current liabilities	32,721,470
Long-term liabilities, current portion	28,260,378
Bonds payable, current portion	14,949,641
Long-term borrowings, current portion	13,310,737
Long-term notes and accounts payable, current portion	0
Current refund liabilities	2,980,318
Other current liabilities, others	1,480,774
Total current liabilities	189,731,532
Non-current liabilities	
Non-current derivative financial liabilities for hedging	0
Non-current financial liabilities for hedging	3,940,317
Bonds payable	89,344,016
Non-current portion of non-current borrowings	48,893,977
Long-term bank loans	25,190,883
Others long-term borrowings	23,703,094
Non-current provisions	844,451
Deferred tax liabilities	12,649,122
Other non-current liabilities	9,600,626
Net defined benefit liability, non-current	8,262,512
Other non-current liabilities, others	1,338,114
Total non-current liabilities	165,272,509
Total liabilities	355,004,041
Equity	
Equity attributable to owners of parent	
Share capital	
Ordinary share	157,348,610
Preference share	382,680
Total capital stock	157,731,290
Capital surplus	
Total capital surplus	38,256,960
Retained earnings	
Legal reserve	63,228,774
Special reserve	27,649,848
Unappropriated retained earnings (accumulated deficit)	19,256,143
Total retained earnings	110,134,765
Other equity interest	
Total other equity interest	5,699,581
Treasury shares	8,635,544
Total equity attributable to owners of parent	303,187,052
Non-controlling interests	28,407,128
Total equity	331,594,180
Total liabilities and equity	686,598,221
Equivalent issue shares of advance receipts for ordinary share	0

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Number of shares in entity held by entity and by its subsidiaries 319,553,000

PROFIT AND LOSS ACCOUNT

Unit: NTD/000

Consolidated	2017	2016
Statement of comprehensive income		
Operating revenue		
Total operating revenue	347,012,002	293,055,804
Operating costs		
Total operating costs	307,672,853	253,332,496
Gross profit (loss) from operations	39,339,149	39,723,308
Gross profit (loss) from operations	39,339,149	39,723,308
Operating expenses		
Selling expenses		
Total selling expenses	5,407,932	4,950,440
Administrative expenses		
Total administrative expenses	6,940,039	7,165,255
Research and development expenses		
Total research and development expenses	2,069,549	2,175,992
Total operating expenses	14,417,520	14,291,687
Net operating income (loss)	24,921,629	25,431,621
Non-operating income and expenses		
Other income		
Total other income	1,778,303	1,471,380
Other gains and losses		
Other gains and losses, net	745,573	-523,311
Finance costs		
Finance costs, net	3,717,893	3,816,641
Share of profit (loss) of associates and joint ventures accounted for using equity method		
Share of profit (loss) of associates and joint ventures accounted for using equity method, net	-324,315	-663,882
Total non-operating income and expenses	-1,518,332	-3,532,454
Profit (loss) from continuing operations before tax	23,403,297	21,899,167
Tax expense (income)		
Total tax expense (income)	2,972,107	2,711,843
Profit (loss) from continuing operations	20,431,190	19,187,324
Profit (loss)	20,431,190	19,187,324
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss		
Gains (losses) on remeasurements of defined benefit plans	-1,500,451	-1,166,886
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-236,316	-182,490

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CHINA STEEL CORPORATION - 524839

PAGE NO. : 20

Components of other comprehensive income that will not be reclassified to profit or loss	-1,264,135	-984,396
Components of other comprehensive income that will be reclassified to profit or loss		
Exchange differences on translation	-2,073,572	-1,827,100
Unrealised gains (losses) on valuation of available-for-sale financial assets	979,157	1,900,382
Gains (losses) on effective portion of cash flow hedges	-198,511	-164,285
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	-828,695	-186,690
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-87,480	-86,036
Components of other comprehensive income that will be reclassified to profit or loss	-2,034,141	-191,657
Other comprehensive income, net	-3,298,276	-1,176,053
Total comprehensive income	17,132,914	18,011,271
Profit (loss), attributable to:		
Profit (loss), attributable to owners of parent	16,905,588	16,038,369
Profit (loss), attributable to non-controlling interests	3,525,602	3,148,955
Comprehensive income attributable to:		
Comprehensive income, attributable to owners of parent	14,430,315	15,950,850
Comprehensive income, attributable to non-controlling interests	2,702,599	2,060,421
Basic earnings per share		
Basic earnings (loss) per share from continuing operations	1.09	1.04
Total basic earnings per share	1.09	1.04
Diluted earnings per share		
Diluted earnings (loss) per share from continuing operations	1.09	1.03
Total diluted earnings per share	1.09	1.03

Unit: NTD/000

Consolidated

2018-01-01~2018-06-30

Statement of comprehensive income

Operating revenue

Total operating revenue

193,714,077

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Operating costs	
Total operating costs	171,581,220
Gross profit (loss) from operations	22,132,857
Gross profit (loss) from operations	22,132,857
Operating expenses	
Selling expenses	2,907,115
Administrative expenses	3,364,554
Research and development expenses	1,055,221
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	-764
Total operating expenses	7,326,126
Net operating income (loss)	14,806,731
Non-operating income and expenses	
Other income	
Total other income	734,771
Other gains and losses	
Other gains and losses, net	-140,189
Finance costs	
Finance costs, net	1,729,828
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9, net	-3,883
Share of profit (loss) of associates and joint ventures accounted for using equity method	
Share of profit (loss) of associates and joint ventures accounted for using equity method, net	204,945
Total non-operating income and expenses	-926,418
Profit (loss) from continuing operations before tax	13,880,313
Tax expense (income)	
Total tax expense (income)	827,252
Profit (loss) from continuing operations	13,053,061
Profit (loss)	13,053,061
Other comprehensive income	
Components of other comprehensive income that will not be reclassified to profit or loss	
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	1,849,820
Gains (losses) on hedging instrument	247,403
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	13,045
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	37,447
Components of other comprehensive income that will not be reclassified to profit or loss	2,072,821
Components of other comprehensive income that will be	

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reclassified to profit or loss	
Exchange differences on translation	345,926
Unrealised gains (losses) on valuation of available-for-sale financial assets	0
Gains (losses) on effective portion of cash flow hedges	0
Gains (losses) on hedging instrument	-130,281
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	420,587
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	1,511
Components of other comprehensive income that will be reclassified to profit or loss	634,721
Total other comprehensive income	2,707,542
Total comprehensive income	15,760,603
Profit (loss), attributable to:	
Profit (loss), attributable to owners of parent	11,168,511
Profit (loss), attributable to non-controlling interests	1,884,550
Comprehensive income attributable to:	
Comprehensive income, attributable to owners of parent	13,556,571
Comprehensive income, attributable to non-controlling interests	2,204,032
Basic earnings per share	
Basic earnings (loss) per share from continuing operations	0.72
Total basic earnings per share	0.72
Diluted earnings per share	
Diluted earnings (loss) per share from continuing operations	0.72
Total diluted earnings per share	0.72

CASH FLOWS

Unit: NTD/000

Consolidated	2017	2016
Statement of cash flows		
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	23,403,297	21,899,167
Profit (loss) before tax	23,403,297	21,899,167
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	34,529,292	35,691,883
Amortization expense	346,646	371,594
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	-382,240	-38,984
Interest expense	3,717,893	3,816,641

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Interest income	-290,218	-317,940
Dividend income	-586,347	-574,258
Share of loss (profit) of associates and joint ventures accounted for using equity method	254,202	581,025
Loss (gain) on disposal of property, plan and equipment	-75,446	-335,742
Loss (gain) on disposal of intangible assets	-2,741	-2,741
Loss (gain) on disposal of investments	-1,410,097	-1,288,242
Impairment loss on financial assets	784,146	699,784
Impairment loss on non-financial assets	829,398	148,168
Reversal of impairment loss on non-financial assets	-880,774	-3,970,141
Other adjustments to reconcile profit (loss)	9,020,429	8,746,473
Total adjustments to reconcile profit (loss)	45,854,143	43,527,520
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in financial assets held for trading	-92,049	-296,414
Decrease (increase) in notes receivable	-564,169	-26,983
Decrease (increase) in notes receivable due from related parties	74,491	-126,073
Decrease (increase) in accounts receivable	-2,820,725	-930,908
Decrease (increase) in accounts receivable due from related parties	144,252	-50,988
Decrease (increase) in construction contracts receivable	-928,923	295,306
Decrease (increase) in other receivable	-187,347	38,119
Decrease (increase) in inventories	-7,729,846	-6,612,449
Decrease (increase) in other current assets	-492,889	-61,464
Total changes in operating assets	-12,597,205	-7,771,854
Changes in operating liabilities		
Increase (decrease) in notes payable	336,523	296,145
Increase (decrease) in accounts payable	777,216	4,585,809
Increase (decrease) in accounts payable to related parties	-499,167	280,413
Increase (decrease) in construction contracts receivable	1,572,504	-261,446
Increase (decrease) in other payable	1,946,119	2,591,463
Increase (decrease) in provisions	-9,237,518	-7,522,566
Increase (decrease) in other current liabilities	793,500	-166,259

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CHINA STEEL CORPORATION - 524839

PAGE NO. : 24

Increase (decrease) in net defined benefit liability	-80,290	-50,764
Total changes in operating liabilities	-4,391,113	-247,205
Total changes in operating assets and liabilities	-16,988,318	-8,019,059
Total adjustments	28,865,825	35,508,461
Cash inflow (outflow) generated from operations	52,269,122	57,407,628
Income taxes refund (paid)	-2,797,644	-2,226,223
Net cash flows from (used in) operating activities	49,471,478	55,181,405
Cash flows from (used in) investing activities		
Acquisition of financial assets at fair value through profit or loss, designated as upon initial recognition	-4,415,691	-3,263,329
Proceeds from disposal of financial assets at fair value through profit or loss, designated as upon initial recognition	3,188,616	3,714,862
Acquisition of available-for-sale financial assets	-1,466,827	-2,570,588
Proceeds from disposal of available-for-sale financial assets	2,634,032	4,266,220
Proceeds from capital reduction of available-for-sale financial assets	23,728	16,840
Acquisition of investments in debt instrument without active market	-18,451	-24,269
Proceeds from disposal of investments in debt instrument without active market	20,000	120,419
Acquisition of held-to-maturity financial assets	0	-19,480
Proceeds from disposal of held-to-maturity financial assets	0	77,236
Acquisition of investments accounted for using equity method	-1,226,596	-11,100,850
Proceeds from disposal of investments accounted for using equity method	240,791	178,384
Proceeds from disposal of subsidiaries	13,021	0
Acquisition of property, plant and equipment	-21,812,961	-19,618,793
Proceeds from disposal of property, plant and equipment	336,150	895,675
Increase in refundable deposits	-134,624	-86,735
Acquisition of intangible assets	-39,082	-382,402
Acquisition of investment properties	-614,852	-339,112
Increase in other financial assets	0	-289,219
Decrease in other financial assets	1,888,676	0
Decrease in other non-current assets	671,269	392,851

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CHINA STEEL CORPORATION - 524839

PAGE NO. : 25

Interest received	297,593	332,908
Dividends received	1,262,191	848,477
Net cash flows from (used in) investing activities	-19,153,017	-26,850,905
Cash flows from (used in) financing activities		
Increase in short-term loans	254,690,716	286,529,045
Decrease in short-term loans	-255,597,380	-283,521,183
Increase in short-term notes and bills payable	255,688,593	501,168,607
Decrease in short-term notes and bills payable	-247,685,111	-516,177,793
Proceeds from issuing bonds	0	5,400,000
Repayments of bonds	-5,213,643	-4,699,300
Proceeds from long-term debt	26,710,000	57,902,133
Repayments of long-term debt	-34,033,111	-76,915,897
Increase in other borrowings	7,777,423	179,932,318
Decrease in other borrowings	-16,790,429	-167,766,032
Increase in other non-current liabilities	0	45,656
Decrease in other non-current liabilities	-20,001	0
Cash dividends paid	-13,264,276	-7,815,051
Payments to acquire treasury shares	-38,844	0
Proceeds from sale of treasury shares	114,019	0
Interest paid	-3,954,803	-4,032,834
Change in non-controlling interests	-1,947,069	-1,541,573
Net cash flows from (used in) financing activities	-33,563,916	-31,491,904
Effect of exchange rate changes on cash and cash equivalents	-211,212	-553,340
Net increase (decrease) in cash and cash equivalents	-3,456,667	-3,714,744
Cash and cash equivalents at beginning of period	13,340,196	17,054,940
Cash and cash equivalents at end of period	9,883,529	13,340,196
Cash and cash equivalents reported in the statement of financial position	12,856,662	15,467,768
Other items qualifying for cash and cash equivalents under the definition of IAS 7	-2,973,133	-2,127,572

Unit: NTD/000

Consolidated

2018-01-01~2018-06-30

Statement of cash flows

Cash flows from (used in) operating activities, indirect method

Profit (loss) from continuing operations before tax 13,880,313

Profit (loss) before tax 13,880,313

Adjustments

Adjustments to reconcile profit (loss)

Depreciation expense 16,582,702

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Amortization expense	148,889
Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	-4,647
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	-67,031
Interest expense	1,729,828
Interest income	-160,862
Dividend income	-142,668
Share of loss (profit) of associates and joint ventures accounted for using equity method	-223,586
Loss (gain) on disposal of property, plan and equipment	49,549
Loss (gain) on disposal of investments	-56,860
Reversal of impairment loss on financial assets	0
Impairment loss on non-financial assets	791,394
Reversal of impairment loss on non-financial assets	-1,438
Other adjustments to reconcile profit (loss)	5,569,164
Total adjustments to reconcile profit (loss)	24,214,434
Changes in operating assets and liabilities	
Changes in operating assets	
Adjustments for decrease (increase) in financial assets held for trading	0
Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value	-260,819
Decrease (increase) in financial assets for hedging	918,120
Decrease (increase) in contract assets	23,167
Decrease (increase) in notes receivable	1,546
Decrease (increase) in notes receivable due from related parties	-203,273
Decrease (increase) in accounts receivable	-2,151,371
Decrease (increase) in accounts receivable due from related parties	-457,243
Decrease (increase) in construction contracts receivable	0
Decrease (increase) in other receivable	-227,746
Adjustments for decrease (increase) in inventories	-1,366,554
Adjustments for decrease (increase) in other current assets	-259,903
Total changes in operating assets	-3,984,076
Changes in operating liabilities	
Increase (decrease) in financial liabilities for hedging	-23,929
Increase (decrease) in contract liabilities	-594,530
Increase (decrease) in notes payable	43,096
Increase (decrease) in accounts payable	1,248,245
Increase (decrease) in accounts payable to related parties	93,546
Increase (decrease) in construction contracts receivable	0
Increase (decrease) in other payable	1,705,685
Increase (decrease) in provisions	-5,176,759
Adjustments for increase (decrease) in other current liabilities	-261,378
Increase (decrease) in net defined benefit liability	-59,268
Increase (decrease) in other operating liabilities	1,398,118
Total changes in operating liabilities	-1,627,174
Total changes in operating assets and liabilities	-5,611,250

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Total adjustments	18,603,184
Cash inflow (outflow) generated from operations	32,483,497
Income taxes refund (paid)	-2,409,996
Net cash flows from (used in) operating activities	30,073,501
Cash flows from (used in) investing activities	
Acquisition of financial assets at fair value through other comprehensive income	-458,580
Proceeds from disposal of financial assets at fair value through other comprehensive income	147,522
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	106,602
Acquisition of financial assets at amortised cost	-13,625
Proceeds from disposal of financial assets at amortised cost	93,692
Acquisition of financial assets designated at fair value through profit or loss	-1,150,948
Proceeds from disposal of financial assets designated at fair value through profit or loss	1,364,551
Acquisition of available-for-sale financial assets	0
Proceeds from disposal of available-for-sale financial assets	0
Acquisition of investments in debt instrument without active market	0
Proceeds from disposal of investments in debt instrument without active market	0
Acquisition of financial assets for hedging	-1,460,674
Derecognition of financial liabilities for hedging	-17,623,452
Acquisition of investments accounted for using equity method	-54,309
Proceeds from disposal of investments accounted for using equity method	125,882
Net cash flow from acquisition of subsidiaries	-1,138,500
Acquisition of property, plant and equipment	-8,764,120
Proceeds from disposal of property, plant and equipment	19,638
Increase in refundable deposits	0
Decrease in refundable deposits	81,100
Acquisition of intangible assets	-25,557
Acquisition of investment properties	-171,686
Increase in other financial assets	-5,792,471
Increase in other non-current assets	-134,006
Decrease in other non-current assets	0
Interest received	144,327
Dividends received	251,831
Other investing activities	2,885,352
Net cash flows from (used in) investing activities	-31,567,431
Cash flows from (used in) financing activities	
Increase in short-term loans	136,103,390
Decrease in short-term loans	-126,340,420
Increase in short-term notes and bills payable	140,507,544
Decrease in short-term notes and bills payable	-127,254,255
Proceeds from issuing bonds	12,750,000
Repayments of bonds	-3,500,000

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Proceeds from long-term debt	24,530,000
Repayments of long-term debt	-38,948,535
Increase in other borrowings	1,899,370
Decrease in other borrowings	-5,809,435
Increase in other non-current liabilities	61,190
Decrease in other non-current liabilities	0
Cash dividends paid	-2,217
Payments to acquire treasury shares	-176,318
Proceeds from sale of treasury shares	0
Interest paid	-1,978,358
Change in non-controlling interests	-1,651,492
Net cash flows from (used in) financing activities	10,190,464
Effect of exchange rate changes on cash and cash equivalents	311,720
Net increase (decrease) in cash and cash equivalents	9,008,254
Cash and cash equivalents at beginning of period	9,883,529
Cash and cash equivalents at end of period	18,891,783
Cash and cash equivalents reported in the statement of financial position	22,426,280
Other items qualifying for cash and cash equivalents under the definition of IAS 7	-3,534,497

Note: Subject didn't submit its individual financial information; we obtained its consolidated financials as above for reference.

The above financial figures are based on the IFRSs Accounting System.

BANKERS

Name Bank of Taiwan

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.

1
Trial Number: 2012, Xiongbu, 552
Date of Trial: 2012-04-23
Reason: Payment for salary
Claimant: Tianyou Chen

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Defendant: Jinman Xiao
Defeng Chen
Ande Lin
China Steel Corporation
China Steel Machinery Limited (Liberal Translation)
He Xiong Industrial Co., Ltd (Liberal Translation)

2
Trial Number: 2008, Xiongbu, 2431
Date of Trial: 2008-12-03
Reason: Compensation for damages
Claimant: Yongzhi Qian
Defendant: China Steel Corporation

SPECIAL NOTE

Interview Details

Department Sales Department

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.23
UK Pound	1	INR 89.37
Euro	1	INR 79.97
TWD	1	INR 2.28

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

INFORMATION DETAILS

Analysis Done by :	NIS
Report Prepared by :	POJ

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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)