

MIRA INFORM REPORT

Report No. :	544975
Report Date :	20.12.2018

IDENTIFICATION DETAILS

Name :	YUEN LIANG INDUSTRIAL & CO., LTD.
Registered Office :	No.922, Chung Shin Rd., Yanchao Dist., Kaohsiung City 824, Taiwan (R.O.C.)
Country :	Taiwan
Date of Incorporation :	13.01.1976
Com. Reg. No.:	12103353
Legal Form :	Joint Stock Company
Line of Business :	Trading of Resin, etc.
No. of Employees :	About 130 (Consolidated)

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	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 while quoting report number, name and date.

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ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
Taiwan	A2	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

CONTACT POINTS

Company Name: YUEN LIANG INDUSTRIAL & CO., LTD.
Supplied Name: YUEN LIANG INDUSTRIAL & CO. LTD
Trading Address: No.922, Chung Shin Rd., Yanchao Dist., Kaohsiung City 824,
Taiwan (R.O.C.)
Supplied Address: No 922 Zhongxing Road, Yanchao, Kaohsiung City-82447,
Taiwan, ROC
Telephone Number: +886-7-616-1234
Fax Number: +886-7-616-0000
E-mail: debbylee@ylresin.com

Notes: The exact name and address are as above.

COMPANY IDENTIFICATION DETAILS

Registered Name: YUEN LIANG INDUSTRIAL & CO., LTD.
Registered Address: No.922, Chung Shin Rd., Yanchao Dist., Kaohsiung City 824,
Taiwan (R.O.C.)
Date of Foundation: 1976-01-13
Registration Number: 12103353
Registry: Economic Development Board of Kaohsiung City Government
Registered Capital: NTD 81,400,000 (USD 2,637,360)
(As of 2018.12, 1 NTD = 0.0324 USD)
Paid-up Capital: NTD 39,600,000 (USD 1,283,040)
Legal Representatives: Wenju Lv
Legal Form: Joint Stock Company
Principal Activities: Trading of Resin, etc.
Staff: About 130 Employees (consolidated)
Listed at Stock Exchange: No
Date of Last Annual Return: 2018-05-30

HISTORY

Subject was incorporated on 1976-01-13 with registered number 12103353 as Joint Stock Company in Taiwan.

CORPORATE STRUCTURE

Factories

1

Name: Yanchao Factory

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Address: No. 922, Chung Shin Rd., Yanchao Dist., Kaohsiung City, Taiwan
Telephone Number: +886-7-616-1234
Fax Number: +886-7-616-1787
2
Name: Pingnan Factory
Address: No. 26, Ching Chin Rd, Tung Hai Village, Fangliao Hsiang, Pingtung
County, Taiwan,
Telephone Number: +886-8-866-6951
Fax Number: +886-8-866-0190

Related Company

Name: Arochem Corporation
Address: No. 922, Chung Shin Rd., Yanchao Dist., Kaohsiung City, Taiwan
Staff: About 100 Employees

SHAREHOLDERS

Major Shareholders

Name	Subscription Shares
Wenju Lv	618,915
Zhouhao Ou	370,490
Qingliang Huang	17,258
Zongxun Yang	18,697
Wenbin Cai	69,694
Peiru Zeng	8,482

MANAGEMENT INFORMATION

Core Management

Directors

1

Name: Wenju Lv
Position: Board Chairman & Manager

Date of Appointment for 1997-10-04
Manager

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2

Name Zhouhao Ou
Position Director

3

Name Qingliang Huang
Position Director

4

Name Zongxun Yang
Position Director

5

Name Wenbin Cai
Position Director

6

Name Peiru Zeng
Position Supervisor

Personnel Structure

Total Employees About 130 Employees (consolidated)

OPERATION INFORMATION

Offices & Factories

Add Headquarters
No.922, Chung Shin Rd., Yanchao Dist., Kaohsiung City 824,
Taiwan (R.O.C.)

Production Information

Subject is engaged in trading of rein, etc. without any production activities.
Subject's related company has factories in Taiwan for production.
It is introduced that the production capacity of the related factories is up to 8,000 MT per month.
Subject's product has obtained the certification of ISO 9001, TS16949 and ISO-9002.

Purchase Information

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The registered activities of subject:

Business Code	Details
C801010	Basic chemical industry
C801020	Manufacturing of petrochemical materials
C801100	Manufacturing of synthetic resin and plastic
C801990	Manufacturing of other chemical materials
C802120	Manufacturing of industrial additives
C802990	Manufacturing of other chemical products
F107170	Wholesale of industrial additives
F107990	Wholesale of other chemical products
F401010	International trade business
ZZ99999	Besides licensed business, all other business items those are not banned or restricted.

Subject's products are mostly purchased from its related companies' factories in Taiwan.

Sales Information

Subject is engaged in sales of resin, etc.

The major products are petroleum resin (liquid), petroleum resin (solid), and refined naphthalene, etc.

The petroleum resin (liquid) series include YL series, SK series, GA series, GS series, AR series, H series and the petroleum resin (solid) include SK series, GA series, etc.

The products are mainly applied for rubber, paint, printing ink, adhesive and color asphalt, etc.

Subject's sales regions are domestic market, other Asian countries, Europe and America, etc.

Subject's major customers are manufacturers of paint, etc.

It is introduced that the subject can offer different packaging ways for their customers.

Subject's major customers include Jowat Corporation, Flint Group, Ennis Paint Inc., Grenhall Industries Inc., Trinternational Inc., etc.

Import and export right:

Import right	Yes
Export right	Yes

SETTLEMENTS

Purchase

Domestic Purchase

Products	Resin, etc.
Payment Terms	T/T, Cash, etc.

Import

The subject has little import.

Sales

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Domestic Markets

Product Resin, etc.
Selling Terms T/T, Cash, etc.

Export

Product Resin, 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 banks details. From other sources, we cannot 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. Debby
Department Sales Department

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.11
UK Pound	1	INR 88.74
Euro	1	INR 79.82
TWD	1	INR 2.28

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	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)