

MIRA INFORM REPORT

Report No. :	546200
Report Date :	26.12.2018

IDENTIFICATION DETAILS

Name :	AVALUE TECHNOLOGY INCORPORATION
Formerly Known As :	EVALUE TECHNOLOGY INCORPORATION
Registered Office :	7F., No. 228, Liancheng Rd., Zhonghe Dist., New Taipei City 23553, Taiwan (R.O.C.)
Country :	Taiwan
Financials (as on) :	30.09.2018 [Summarized]
Date of Incorporation :	19.07.2000
Com. Reg. No.:	70604376
Legal Form :	Joint Stock Company
Line of Business :	Manufacturing and sale of single board computer
No. of Employees :	709 [2018]

RATING & COMMENTS

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

MIRA's Rating :

A

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Good
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.

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

COMPANY NAME AND ADDRESS

Company Name: Avalue Technology Incorporation
Supplied Name: Avalue Technology Inc.
Trading Address: 7F., No. 228, Liancheng Rd., Zhonghe Dist., New Taipei City
23553, Taiwan (R.O.C.)
Supplied Address: 7F, No. 228, Lian-Cheng Road, Zhonghe Dist New Taipei City
Telephone Number: +886-2-8226-2345
Fax Number: +886-2-8226-2777
E-mail: sales@avalue.com.tw
Website: www.avalue.com.tw

Notes: The exact name and address are as above.

COMPANY IDENTIFICATION DETAILS

Registered Name: Avalue Technology Incorporation
Registered Address: 7F., No. 228, Liancheng Rd., Zhonghe Dist., New Taipei City
23553, Taiwan (R.O.C.)
Date of Foundation: 2000-7-19
Registration Number: 70604376
Registry: Department of Commerce, Ministry of Economic Affairs,
R.O.C.
Registered Capital: NTD 800,000,000 (USD 24,000,000)
Paid-up Capital: NTD 691,941,640 (USD 20,758,249)
Legal Representatives: Liqi Liu
Legal Form: Joint Stock Company
Principal Activities: Manufacturing and sale of single board computer.
Staff: 709 Employees
(As of 2018-3-31)
Listed at Stock Exchange: Yes; Stock Code: 3479
Date of Last Annual Return: 2018-5-31

HISTORY

Subject was incorporated on 2000-7-19 with registered number 70604376 as Joint Stock Company in Taiwan.

Change of Name
Former English Name: Evalue Technology Incorporation
Current English Name: Avalue Technology Incorporation

Subject listed on Taiwan Over-The-Counter Securities Exchange on 2010-6-8.

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CORPORATE STRUCTURE

Factory

Name: Lide Factory
Address: 7F, No. 95, 7F, No. 89, Lide St., Zhonghe Dist., New Taipei City, Taiwan
Date of Registration: 2011-9-21
Factory Registration Number: 65000757
Factory Manager: Liqi Liu
Status: In Production
Date of Last Annual Return: 2017-8-24
Major Products: 269 other electronic components
271 computer and related equipment
272 communications equipment
273 audio and video electronic products
274 the date storage media
275 measure, navigation, control equipment and clock
276 radiation and electronic medical equipment
277 optical instruments and equipment

Related Companies:

1
Name: Avalue Technology A/S
Address: Moelledalen 22C, 3140 Aalsgaarde, Denmark
2
Name: Avalue Japan Inc.
Address: 3F Ishiyama-Bldg, 1-6-1 Taito, Taito-ku, Tokyo 110-0016 Japan
3
Name: Avalue Technology Inc.
Address: 9 Timber Lane, Marlboro, NJ 07746 USA

Offices:

1
Name: Beijing Office
Address: R503, Building 5, Block A, Ledshow New Silicon Valley, XIERQI West Rd., Haidian Dist., Beijing, China
2
Name: Shanghai Office
Address: F3, Building 57, No.461 Hong Cao Road, Shanghai, China
3
Name: Shenzhen Office
Address: Shenzhen city Nanshan District Taoyuan Road West Pearl E building room 1908

SHAREHOLDERS

Major Shareholders

Name	Subscription Shares
Liqi Liu	2,476,427
Jiazhe Zhang	860,894
Compal Electronics, Inc	15,240,070
Liangguang Lian	78,088
Jianzhong Zeng	38,000
Zhengtian Liu	41,000
Zhao Feng Chuan Ye Investment Co., Ltd (Literal Translation)	800,000

MANAGEMENT INFORMATION

Core Management

Directors

1	
Name	Liqi Liu
Position	Chairman of the Board
2	
Name	Jiazhe Zhang
Position	Director
3	
Name	Liangguang Lian
Position	Director
4	
Name	Boxiong Zhang
Position	Director
5	

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Name Junlin Liu
Position Independent Director

6

Name Wei Wang
Position Independent Director

7

Name Jiran Gu
Position Independent Director

8

Name Jintong Li
Position Supervisor

9

Name Zhengtian Liu
Position Supervisor

10

Name Huiying Chen
Position Supervisor

Personnel Structure

Total Employees 709 Employees
(As of 2018-3-31)

OPERATION INFORMATION

Offices & Factories

Add Headquarters
7F., No. 228, Liancheng Rd., Zhonghe Dist., New Taipei City
23553, Taiwan (R.O.C.)

Production Information

Subject is engaged in manufacturing of single board computer, etc.
Subject has a factory in Taiwan for production.

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Purchase Information

The registered activities of subject:

Business Code	Details
CC01050	Data storage and handling equipment manufacturing
CC01060	Cable machinery equipment manufacturing industry
CC01070	Wireless communications equipment manufacturing machinery
CC01080	Electronic components manufacturing
CE01010	General instrument manufacturing
E605010	Computer equipment installation industry
E701010	Communication engineering
F113050	Transactional machinery and equipment wholesaling
F113070	Telecommunications equipment wholesaling
F113030	Precision instruments wholesaling
F118010	Information software wholesaling
F119010	Electronics material wholesale business
F213030	Transactional machinery and equipment retail
F213040	Precision instruments retail
F213060	Telecommunications equipment retail
F218010	Information software retail
F219010	Electronics components retail business
F401010	The international business
I301010	Information software services
I501010	Product design industry
ZZ99999	Besides licensed business, all other business items those are not banned or restricted.

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

Sales Information

Subject is engaged in sale of single board computer, etc.

The major products include single board computer, industrial motherboard, barebone system, industrial fanless system, peripherals and accessories, POS terminal, digital signage, healthcare, in-vehicle computer, etc.

It is introduced that subject's products are applied for medical solution, POS/Kiosk machines and gaming industry, etc.

Subject's sales regions are domestic market, Other Asian Countries, Europe, America, Africa, etc.

It is introduced that subject has distributors in Asia, Middle East, Europe, America, Africa, etc.

Subject's major customers are wholesalers of computers, etc.

Import and export right:

Import right	Yes
Export right	Yes

SETTLEMENTS

Purchase

Domestic Purchase

Products Components and raw materials
Payment Terms T/T, Cash, etc.

Import

Products Components and raw materials
Payment Terms L/C, T/T, etc.

Sales

Domestic Markets

Product Single board computer, etc.
Selling Terms T/T, Cash, etc.

Export

Product Single board computer, etc.
Selling Terms L/C, T/T, etc.

FINANCIALS

Balance Sheet

Unit: NTD/000

Consolidated	2017-12-31	2016-12-31
Assets		
Current assets		
Cash and cash equivalents		
Total cash and cash equivalents	604,959	567,721
Current financial assets at fair value through profit or loss		
Total current financial assets at fair value through profit or loss	10,598	121,026
Accounts receivable, net		
Accounts receivable, net	689,765	609,139
Accounts receivable due from related parties, net		
Accounts receivable due from related parties, net	1,182	1,836
Other receivables		
Other receivables, net	1,872	2,223
Current tax assets		
Total current tax assets	26,937	21,520

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Inventories		
Inventories, manufacturing business		
Inventories, manufacturing business, net	721,609	647,869
Total inventories	721,609	647,869
Prepayments		
Total prepayments	49,746	51,072
Other current assets		
Total other current assets	7,987	12,885
Total current assets	2,114,655	2,035,291
Non-current assets		
Investments accounted for using equity method		
Investments accounted for using equity method, net	26,111	21,117
Property, plant and equipment		
Total property, plant and equipment	676,763	682,509
Investment property, net		
Investment property, net	361,063	362,019
Intangible assets		
Total intangible assets	95,110	92,996
Deferred tax assets	55,054	43,907
Other non-current assets		
Prepayments for business facilities	3,837	17,278
Guarantee deposits paid	6,625	5,198
Total other non-current assets	10,462	22,476
Total non-current assets	1,224,563	1,225,024
Total assets	3,339,218	3,260,315
Liabilities and equity		
Liabilities		
Current liabilities		
Short-term borrowings		
Total short-term borrowings	183,083	20,000
Accounts payable		
Total accounts payable	243,161	274,678
Accounts payable to related parties		
Total accounts payable to related parties	30,748	16,118
Other payables		
Total other payables	268,270	280,939
Current tax liabilities	30,227	51,211
Other current liabilities		
Advance receipts		
Total advance receipts	22,603	15,648
Long-term liabilities, current portion		
Long-term borrowings, current portion	38,571	38,571
Total long-term liabilities, current portion	38,571	38,571
Other current liabilities, others	8,777	11,384
Total other current liabilities	69,951	65,603

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Total current liabilities	825,440	708,549
Non-current liabilities		
Long-term borrowings		
Total long-term borrowings	183,215	221,786
Deferred tax liabilities		
Total deferred tax liabilities	41,749	19,308
Other non-current liabilities		
Net defined benefit liability, non-current	55,391	56,565
Other non-current liabilities, others	3,911	5,143
Total other non-current liabilities	59,302	61,708
Total non-current liabilities	284,266	302,802
Total liabilities	1,109,706	1,011,351
Equity		
Equity attributable to owners of parent		
Share capital		
Ordinary share	692,882	693,032
Total capital stock	692,882	693,032
Capital surplus		
Total capital surplus	930,844	920,220
Retained earnings		
Total retained earnings	426,059	447,215
Other equity interest		
Total other equity interest	-42,682	-21,583
Treasury shares	1,535	1,535
Total equity attributable to owners of parent	2,005,568	2,037,349
Non-controlling interests	223,944	211,615
Total equity	2,229,512	2,248,964
Total liabilities and equity	3,339,218	3,260,315
Number of share capital awaiting retirement	0	0
Equivalent issue shares of advance receipts for ordinary share	0	0
Number of shares in entity held by entity and by its subsidiaries	45,690	45,690

Consolidated 2017-12-31

Unit: NTD/000

Consolidated 2018-9-30

Assets

Current assets

Cash and cash equivalents 759,484

Current financial assets at fair value through profit or loss 0

Accounts receivable, net 676,287

Accounts receivable due from related parties, net 1,059

Other receivables 16,568

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Current tax assets	15,072
Current inventories	853,708
Inventories, manufacturing business	853,708
Prepayments	43,790
Other current assets	18,739
Total current assets	2,384,707
Non-current assets	
Investments accounted for using equity method	23,775
Property, plant and equipment	1,011,922
Investment property, net	19,905
Intangible assets	95,190
Deferred tax assets	52,141
Other non-current assets	25,715
Prepayments for business facilities	19,737
Guarantee deposits paid	5,978
Total non-current assets	1,228,648
Total assets	3,613,355
Liabilities and equity	
Liabilities	
Current liabilities	
Current borrowings	171,386
Accounts payable	637,599
Accounts payable to related parties	17,252
Other payables	222,720
Dividends payable, non-cash assets distributions	0
Other payables, others	222,720
Current tax liabilities	20,080
Other current liabilities	68,867
Long-term liabilities, current portion	38,571
Long-term borrowings, current portion	38,571
Other current liabilities, others	30,296
Total current liabilities	1,137,904
Non-current liabilities	
Non-current portion of non-current borrowings	154,286
Deferred tax liabilities	36,180
Other non-current liabilities	57,305
Net defined benefit liability, non-current	53,414
Other non-current liabilities, others	3,891
Total non-current liabilities	247,771
Total liabilities	1,385,675
Equity	
Equity attributable to owners of parent	
Share capital	
Ordinary share	691,942
Total capital stock	691,942
Capital surplus	
Total capital surplus	925,933
Retained earnings	
Total retained earnings	403,864

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Other equity interest	
Total other equity interest	-25,490
Treasury shares	1,535
Total equity attributable to owners of parent	1,994,714
Non-controlling interests	232,966
Total equity	2,227,680
Total liabilities and equity	3,613,355
Number of share capital awaiting retirement	0
Equivalent issue shares of advance receipts for ordinary share	0
Number of shares in entity held by entity and by its subsidiaries	45,690

Profit and Loss Account

Unit: NTD/000		
Consolidated	2017	2016
Operating revenue		
Net sales revenue		
Sales revenue		
Sales revenue	4,652,080	4,878,037
Total sales revenue	4,652,080	4,878,037
Sales returns	13,254	19,033
Net sales revenue	4,638,826	4,859,004
Service revenue		
Service revenue		
Service revenue	213,832	197,302
Service revenue, net	213,832	197,302
Total service revenue	213,832	197,302
Total operating revenue	4,852,658	5,056,306
Operating costs		
Cost of sales		
Cost of sales	3,618,451	3,719,953
Total cost of sales	3,618,451	3,719,953
Total operating costs	3,618,451	3,719,953
Gross profit (loss) from operations	1,234,207	1,336,353
Gross profit (loss) from operations	1,234,207	1,336,353
Operating expenses		
Selling expenses		
Total selling expenses	346,748	334,578
Administrative expenses		
Total administrative expenses	354,764	402,665
Research and development expenses		
Total research and development expenses	163,221	158,551
Total operating expenses	864,733	895,794
Net other income (expenses)		
Net other income (expenses)	0	0

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Net operating income (loss)	369,474	440,559
Non-operating income and expenses		
Other income		
Interest income		
Total interest income	3,893	1,676
Other income, others	25,556	18,377
Total other income	29,449	20,053
Other gains and losses		
Gains on disposals of property, plant and equipment	1,970	57
Foreign exchange gains	-13,597	-1,028
Miscellaneous disbursements	198	6,025
Other gains and losses, net	-11,825	-6,996
Finance costs		
Interest expense	3,785	1,787
Finance costs, net	3,785	1,787
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	-7,209	-7,032
Total non-operating income and expenses	6,630	4,238
Profit (loss) from continuing operations before tax	376,104	444,797
Tax expense (income)		
Total tax expense (income)	120,354	119,472
Profit (loss) from continuing operations	255,750	325,325
Profit (loss) from discontinued operations		
Total profit (loss) from discontinued operations	0	0
Profit (loss)	255,750	325,325
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	-1,203	-1,428
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-204	-243
Components of other comprehensive income that will not be reclassified to profit or loss	-999	-1,185
Components of other comprehensive income that will be reclassified to profit or loss		

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Exchange differences on translation	-51,498	-19,934
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	27	-61
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	-1,627	-225
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-49,844	-19,770
Components of other comprehensive income that will be reclassified to profit or loss	-50,843	-20,955
Other comprehensive income, net	204,907	304,370
Total comprehensive income	228,572	323,864
Profit (loss), attributable to:	27,178	1,461
Profit (loss), attributable to owners of parent	186,899	306,908
Profit (loss), attributable to non-controlling interests	18,008	-2,538
Comprehensive income attributable to:		
Comprehensive income, attributable to owners of parent		
Comprehensive income, attributable to non-controlling interests		
Basic earnings per share		
Total basic earnings per share	3.33	4.74
Diluted earnings per share		
Total diluted earnings per share	3.29	4.7
Unit: NTD/000		
Consolidated		2018-1-1~ 2018-9-30
Operating revenue		
Net sales revenue		
Sales revenue		3,493,682
Sales revenue		3,493,682
Sales returns		17,832
Net sales revenue		3,475,850
Service revenue		
Service revenue		141,269
Service revenue		141,269
Total service revenue		141,269

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Total operating revenue	3,617,119
Operating costs	
Cost of sales	
Cost of sales	2,747,191
Total cost of sales	2,747,191
Total operating costs	2,747,191
Gross profit (loss) from operations	869,928
Gross profit (loss) from operations	869,928
Operating expenses	
Selling expenses	274,758
Administrative expenses	251,965
Research and development expenses	121,267
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	9,733
Total operating expenses	657,723
Net operating income (loss)	212,205
Non-operating income and expenses	
Other income	
Interest income	5,632
Other income, others	19,353
Total other income	24,985
Other gains and losses	
Gains on disposals of property, plant and equipment	375
Foreign exchange gains	7,901
Miscellaneous disbursements	5,490
Other gains and losses, net	2,786
Finance costs	
Interest expense	3,610
Finance costs, net	3,610
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	-2,336
Total non-operating income and expenses	21,825
Profit (loss) from continuing operations before tax	234,030
Tax expense (income)	
Total tax expense (income)	53,950
Profit (loss) from continuing operations	180,080
Profit (loss) from discontinued operations	
Total profit (loss) from discontinued operations	0
Profit (loss)	180,080
Other comprehensive income	
Components of other comprehensive income that will be reclassified to profit or loss	
Exchange differences on translation	16,273
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	0

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Income tax related to components of other comprehensive income that will be reclassified to profit or loss	299
Components of other comprehensive income that will be reclassified to profit or loss	15,974
Other comprehensive income, net	15,974
Total comprehensive income	196,054
Profit (loss), attributable to:	
Profit (loss), attributable to owners of parent	157,954
Profit (loss), attributable to non-controlling interests	22,126
Comprehensive income attributable to:	
Comprehensive income, attributable to owners of parent	171,008
Comprehensive income, attributable to non-controlling interests	25,046
Basic earnings per share	
Total basic earnings per share	2.29
Diluted earnings per share	
Total diluted earnings per share	2.27

Cash Flows

Unit: NTD/000		
Consolidated	2017	2016
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	376,104	444,797
Profit (loss) before tax	376,104	444,797
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	52,354	46,503
Amortization expense	7,565	7,014
Provision (reversal of provision) for bad debt expense	8,134	2,136
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	198	-505
Interest expense	3,785	1,787
Interest income	-3,893	-1,676
Share-based payments	19,385	37,278
Share of loss (profit) of associates and joint ventures accounted for using equity method	7,209	7,032
Loss (gain) on disposal of property, plan and equipment	-1,970	-57
Loss (gain) on disposal of investments accounted for using equity method	-945	0
Other adjustments to reconcile profit	109	5,097

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(loss)		
Total adjustments to reconcile profit	91,931	104,609
(loss)		
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in financial assets held for trading	110,230	126,588
Decrease (increase) in accounts receivable	-88,106	63,933
Decrease (increase) in other receivable	476	-2,173
Decrease (increase) in inventories	-73,740	-43,184
Decrease (increase) in prepayments	1,326	4,203
Decrease (increase) in other current assets	4,898	-11,960
Decrease (increase) in other financial assets	0	3,298
Total changes in operating assets	-44,916	140,705
Changes in operating liabilities		
Increase (decrease) in financial liabilities held for trading	0	-136
Increase (decrease) in accounts payable	-16,887	-182,624
Increase (decrease) in other payable	-12,692	54,881
Increase (decrease) in receipts in advance	6,955	-14,011
Increase (decrease) in other current liabilities	-2,607	4,531
Increase (decrease) in net defined benefit liability	-2,377	-4,529
Increase (decrease) in other operating liabilities	-287	708
Total changes in operating liabilities	-27,895	-141,180
Total changes in operating assets and liabilities	-72,811	-475
Total adjustments	19,120	104,134
Cash inflow (outflow) generated from operations	395,224	548,931
Interest received	3,750	1,941
Interest paid	-3,726	-1,769
Income taxes refund (paid)	-133,630	-125,986
Net cash flows from (used in) operating activities	261,618	423,117
Cash flows from (used in) investing activities		
Acquisition of investments accounted for using equity method	0	-10,000
Proceeds from disposal of investments accounted for using equity method	30	0

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Acquisition of property, plant and equipment	-36,635	-29,322
Proceeds from disposal of property, plant and equipment	1,970	57
Increase in refundable deposits	-1,427	-107
Acquisition of intangible assets	-9,208	-4,447
Acquisition of investment properties	0	-342,206
Increase in prepayments for business facilities	-3,837	-17,278
Net cash flows from (used in) investing activities	-49,107	-403,303
Cash flows from (used in) financing activities		
Increase in short-term loans	163,066	20,000
Proceeds from long-term debt	0	270,000
Repayments of long-term debt	-38,571	-9,643
Increase in guarantee deposits received	-945	659
Cash dividends paid	-249,326	-245,836
Change in non-controlling interests	-5,789	13,390
Net cash flows from (used in) financing activities	-131,565	48,570
Effect of exchange rate changes on cash and cash equivalents	-43,708	-15,592
Net increase (decrease) in cash and cash equivalents	37,238	52,792
Cash and cash equivalents at beginning of period	567,721	514,929
Cash and cash equivalents at end of period	604,959	567,721
Cash and cash equivalents reported in the statement of financial position	604,959	567,721
Unit: NTD/000		
Consolidated		2018-1-1~ 2018-9-30
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax		234,030
Profit (loss) before tax		234,030
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense		36,936
Amortization expense		7,180
Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense		9,733
Net loss (gain) on financial assets or liabilities at fair value through profit or loss		-5
Interest expense		3,610
Interest income		-5,632

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Share-based payments	-1,831
Share of loss (profit) of associates and joint ventures accounted for using equity method	2,336
Loss (gain) on disposal of property, plan and equipment	-375
Loss (gain) on disposal of investments accounted for using equity method	0
Other adjustments to reconcile profit (loss)	77
Total adjustments to reconcile profit (loss)	52,029
Changes in operating assets and liabilities	
Changes in operating assets	
Decrease (increase) in financial assets held for trading	10,603
Decrease (increase) in accounts receivable	3,868
Decrease (increase) in other receivable	-14,860
Decrease (increase) in inventories	-132,099
Decrease (increase) in prepayments	5,956
Decrease (increase) in other current assets	-10,752
Total changes in operating assets	-137,284
Changes in operating liabilities	
Increase (decrease) in accounts payable	380,942
Increase (decrease) in other payable	-45,531
Increase (decrease) in other current liabilities	-1,084
Increase (decrease) in net defined benefit liability	-1,977
Increase (decrease) in other operating liabilities	861
Total changes in operating liabilities	333,211
Total changes in operating assets and liabilities	195,927
Total adjustments	247,956
Cash inflow (outflow) generated from operations	481,986
Interest received	5,795
Interest paid	-3,489
Income taxes refund (paid)	-55,187
Net cash flows from (used in) operating activities	429,105
Cash flows from (used in) investing activities	
Proceeds from disposal of investments accounted for using equity method	0
Acquisition of property, plant and equipment	-22,158
Proceeds from disposal of property, plant and equipment	375
Increase in refundable deposits	647
Acquisition of intangible assets	-7,399
Increase in prepayments for business facilities	-22,348
Net cash flows from (used in) investing activities	-50,883
Cash flows from (used in) financing activities	
Increase in short-term loans	-11,833
Repayments of long-term debt	-28,929
Decrease in guarantee deposits received	-881
Cash dividends paid	-180,031
Change in non-controlling interests	-16,104
Net cash flows from (used in) financing activities	-237,778
Effect of exchange rate changes on cash and cash equivalents	14,081

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Net increase (decrease) in cash and cash equivalents	154,525
Cash and cash equivalents at beginning of period	604,959
Cash and cash equivalents at end of period	759,484
Cash and cash equivalents reported in the statement of financial position	759,484

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

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

Department

Sales Department

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.18
UK Pound	1	INR 88.87
Euro	1	INR 79.88
TWD	1	INR 2.27

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

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	SYL

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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)

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