

MIRA INFORM REPORT

Report No. :	521887
Report Date :	30.07.2018

IDENTIFICATION DETAILS

Name :	TONG - TAI MACHINE & TOOL CO LTD
Registered Office :	No.3, Luke 3rd Rd., Luzhu Dist., Kaohsiung City 821
Country :	Taiwan
Financials (as on) :	31.12.2017
Date of Incorporation :	01.09.1969
Com. Reg. No.:	88120872
Legal Form :	Joint Stock Company
Line of Business :	Subject is Engaged in Manufacturing of Machining Centers.
No. of Employees :	2161 (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+	Low Risk	Business dealings permissible with low 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 (31.12.2017)	Current Rating (01.04.2018)
Taiwan	A1	A2

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

TAIWAN - ECONOMIC OVERVIEW

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

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

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

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

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

Source : CIA

CONTACT POINTS

Company Name: Tong-Tai Machine & Tool Co., Ltd.
Supplied Name: Tong Tai Machine & Tool Co Ltd
Trading Address: No.3, Luke 3rd Rd., Luzhu Dist., Kaohsiung City 821, Taiwan (R.O.C.)
Supplied Address: No 3 Luke 3rd Rd Luzhu Kao Hsiung Hsien 82151
Telephone Number: +886-7-976-1588
Fax Number: +886-7-976-1589
E-mail: tongtai-group@tongtai.com.tw
info@tongtai.com.tw
jason01@tongtai.com.tw
Website: www.tongtai.com.tw
Notes: The exact name and address are as above.

COMPANY IDENTIFICATION DETAILS

Registered Name: Tong-Tai Machine & Tool Co., Ltd.
Registered Address: No.3, Luke 3rd Rd., Luzhu Dist., Kaohsiung City 821, Taiwan (R.O.C.)
Date of Foundation: 1969-1-9
Registration Number: 88120872
Registry: Southern Taiwan Science Park Administration
Registered Capital: NTD 3,000,000,000 (USD 99,000,000)

Paid-up Capital: NTD 2,548,264,610 (USD 84,092,732.13)
Legal Representatives: Ruixiong Yan
Legal Form: Joint Stock Company
Principal Activities: Manufacturing and sales of machining centers, etc.
Staff: About 2,161 Employees (As of 2018-3-31)
Listed at Stock Exchange: Yes; Stock Code: 4526
Date of Last Annual Return: 2017-7-20

HISTORY

Subject was incorporated on 1969-1-9 with registered number 88120872 as Joint Stock Company in Taiwan.

Subject listed on Taiwan Stock Exchange on 2003-9-15.

CORPORATE STRUCTURE

Factories

- 1
Name: Hunei Factory
Address: No.946, Sec. 1, Zhongshan Rd., Hunei Dist., Kaohsiung City, Taiwan (R.O.C.)
Date of Foundation: 1990-12-31
Date of Registration: 1990-12-31
Factory Registration Number: 99662061
Factory Manager: Ruixiong Yan
Status: In production
Date of Last Annual Return: 2009-7-9
Major Products: 291 machinery and equipment for processing metal
293 general machinery
251 metal hand tool and mold
301 automobile
302 automobile body
303 automobile components
312 haulage motor and its components
+886-7-6993-721
- Tel
2
Name: The 1st Factory
Address: No.3, Luke 3rd Rd., Luzhu Dist., Kaohsiung City 821, Taiwan (R.O.C.)
Date of Registration: 2006-8-11
Factory Registration Number: 94A00200
Factory Manager: Ruixiong Yan
Status: In Production
Date of Last Annual Return: 2009-4-24
Major Products: 292 other special developing machinery and equipment
293 general machinery and equipment
263 printed circuit board
269 other electronic components
- 3
Name: The 2nd Factory
Address: No.860, Sec. 1, Zhongshan Rd., Hunei Dist., Kaohsiung City, Taiwan (R.O.C.)
Date of Registration: 2001-5-23
Factory Registration Number: 99661243
Factory Manager: Ruixiong Yan
Status: In Production
Date of Last Annual Return: 2011-9-28
Major Products: 291 machinery and equipment for processing metal
292 other special developing machinery and equipment
303 automobile components
312 haulage motor and its components
319 other unclassified transportation facilities and parts
- 4

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Name: Luke 2nd Factory
Address: No.5, Luke 3rd Rd., Luzhu Dist., Kaohsiung City 821, Taiwan (R.O.C.)
Date of Registration: 2017-5-19
Factory Registration Number: 94B00200
Factory Manager: Ruixiong Yan
Status: In Production
Date of Last Annual Return: 2017-5-19
Major Products: 291 machinery and equipment for processing metal

Branch

Name: Tong-Tai Machine & Tool Co., Ltd. Hunei Branch
Address: No.946, Sec. 1, Zhongshan Rd., Hunei Dist., Kaohsiung City, Taiwan (R.O.C.)
Registration Number: 13111486
Date of Registration: 2005-11-8
Status: Active
Manager Name: Ruixiong Yan
Date of Last Annual Return: 2006-9-21

Major Related Companies

1
Name: Shuzhou Tongyu Machine & Tool Co., Ltd.
Address: No.555 & 666 Huahong Road, Economic Development Area, Wujiang City, Jiangsu Province, China
Telephone Number: +86-512-6343-0168
Fax Number: +86-512-6343-1622

2
Name: Honor Seiki Co., Ltd.
Address: No. 6, sec. 2, Zhongshan Rd., Hunei Dist., Kaohsiung City 82942, Taiwan (R.O.C)
Telephone Number: +886-7-975-9888
Fax Number: +886-7-975-9999

3
Name: Asia Pacific Elite Corp.
Address: No.26-3, Jhuangcian Rd. Shengang Dist., Taichung City 42951, Taiwan (R.O.C)
Telephone Number: +886-4-2563-1959
Fax Number: +886-4-2563-1985

4
Name: QuickTECH Machinery Co., Ltd.
Address: No. 35, Keji 1 Road, Tainan City 70955, Taiwan (R.O.C)
Telephone Number: +886-6-384-1155
Fax Number: +886-6-384-1177

SHAREHOLDERS

Major Shareholders

Name	Subscription Shares
Ruixiong Yan	5,480,200
San Shin Co., Ltd.	7,987,080
Rui Xiu Investment Co., Ltd (Literal Translation)	8,918,693
Guoqin Zhuang	2,059,318
Huocheng Guo	2,516,722
Dongying Investment Co., Ltd (Literal Translation)	3,534,259
Yangguang Dong	2,209,526
Huizhen Yan	1,412,047

Shareholders Information:

1

Registered Name:	San Shin Co., Ltd.
Registered Address:	No.59, Cheng Kung Road, Tainan, Taiwan, R.O.C.
Date of Foundation:	1966-1-6
Registration Number:	68060200
Registry:	Tainan City Government
Registered Capital:	NTD 230,000,000
Paid-up Capital:	NTD 230,000,000
Legal Representatives:	Huazhou Yan
Legal Form:	Joint Stock Company
Date of Last Annual Return:	2016-5-20

2

Registered Name:	Rui Xiu Investment Co., Ltd. (Literal Translation)
Registered Address:	1F, No.59, Cheng Kung Road, Tainan, Taiwan, R.O.C.
Date of Foundation:	2000-8-17
Registration Number:	12600731
Registry:	Tainan City Government
Registered Capital:	NTD 33,500,000

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Paid-up Capital:	NTD 33,500,000
Legal Representatives:	Xiuhui Lin
Legal Form:	Joint Stock Company
Date of Last Annual Return:	2017-1-6
3	
Registered Name:	Dongying Investment Co., Ltd. (Literal Translation)
Registered Address:	No.946, Sec.1, Zhongshan Rd., Hunei Dist., Kaohsiung City, Taiwan
Date of Foundation:	2003-8-27
Registration Number:	80471636
Registry:	Economic Development Board of Kaohsiung City Government
Registered Capital:	NTD 22,000,000
Paid-up Capital:	NTD 22,000,000
Legal Representatives:	Senmao Wang
Legal Form:	Joint Stock Company
Date of Last Annual Return:	2017-2-8

MANAGEMENT INFORMATION

Core Management

Directors

1	
Name	Ruixiong Yan
Position	Board Chairman & Manager
Appointment Date of Manager:	2015-9-1
2	
Name	Huazhou Yan
Position	Director
3	
Name	Xuanren Gong
Position	Director
4	
Name	Guoqin Zhuang
Position	Director
5	
Name	Huocheng Guo
Position	Director

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6	Name	Fenghui Qiu
	Position	Director
7	Name	Senmao Wang
	Position	Director
8	Name	Huixiong Chen
	Position	Independent Director
9	Name	Tinglang Xiao
	Position	Independent Director
10	Name	Yangguang Dong
	Position	Director
11	Name	Huizhen Yan
	Position	Director
12	Name	Zheng Yan
	Position	Director
13	Name	Bohan Wang
	Position	Independent Director

Personnel Structure

Total Employees 2161 (As of 2018-3-31)

OPERATION INFORMATION

Offices & Factories

Add Headquarters
No.3, Luke 3rd Rd., Luzhu Dist., Kaohsiung City 821, Taiwan (R.O.C.)

Production Information

Subject is engaged in manufacturing of machining centers, etc.
Subject has factories in Taiwan for production.

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It is introduced that subject's related companies has factories in Taiwan, the mainland of China, Malaysia and Thailand for production.

Subject obtained the certifications of ISO 9002, ISO 9001 and ISO 14001.

Purchase Information

The registered activities of subject:

Business Code	Details
CB01010	Manufacturing of mechanical equipment
CC01030	Manufacturing of electrical and electronic audio-visual products
CC01080	Manufacturing of electronic components
CC01110	Manufacturing of computer and peripheral equipment (production and operation outside of the limited)
CD01030	Manufacturing of vehicles and parts (production and operation outside of the limited)
CD01040	Manufacturing of motor and parts (production and operation outside of the limited)
CD01060	Manufacturing of aircraft and its parts (production and operation outside of the limited)
CP01010	Manufacturing of hand tool (production and operation outside of the limited)
CQ01010	Manufacturing of mould (production and operation outside of the limited)
CE01030	Manufacturing of optical instrument (production and operation outside of the limited)
F401010	International trade business
--	Research, development, manufacturing and sales of the following products: 1. Printed circuit board, drilling machine and make-up machine 2. Linear motor comprehensive processing center machine 3. High speed machining center machine 4. CNC computer numerical control precision lathes 5. Flat panel display equipment and its related parts 6. International trade business of above products

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

Sales Information

Subject is engaged in sale of machining centers, etc.

Subject has its own brands "Tongtai", "Topper" and "TT".

Subject's sales regions are domestic market, Asia, Europe, America, etc.

Subject's major customers are from industries of automobile, aerospace, electronics, machinery, etc.

Major products

No.	Product
1	Vertical Tapping Centers
2	Vertical Machining Centers
3	Vertical Machining Centers for Die & Mold
4	Vertical Machining Centers for Five-Axis
5	Horizontal Machining Centers

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6	Horizontal Boring & Milling Machines
7	CNC Lathes
8	Vertical CNC Lathes
9	Multi-Tasking Turning Centers
10	AI. Wheel Machines
11	PCB Machines
12	Laser Drilling Machine
13	Laser Marking Machine

Major Technology

No.	Technology
1	Total Solution
2	Ultrasonic Assisted Machine
3	PCB Processing
4	Software
5	Additive Manufacturing

Import and export right:

Import right	Yes
Export right	Yes

SETTLEMENTS

Purchase

Domestic Purchase

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

Import

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

Sales

Domestic Markets

Product	Machining centers, etc.
Selling Terms	T/T, Cash, etc.

net		
Property, plant and equipment		
Total property, plant and equipment	3,542,807	3,561,598
Investment property, net		
Investment property, net	261,739	275,917
Intangible assets		
Total intangible assets	84,750	93,984
Deferred tax assets	256,659	212,793
Other non-current assets		
Guarantee deposits paid	29,865	33,569
Long-term notes and accounts receivable		
Long-term notes and accounts receivable, net	18,676	11,077
Net defined benefit asset, non-current	1,308	1,571
Other non-current financial assets		
Total other non-current financial assets	54,271	35,939
Other non-current assets, others		
Total other non-current assets, others	82,377	73,972
Total other non-current assets	186,497	156,128
Total non-current assets	4,505,830	4,472,277
Total assets	17,812,393	15,021,413
Liabilities and equity		
Liabilities		
Current liabilities		
Short-term borrowings		
Total short-term borrowings	3,251,365	2,504,971
Short-term notes and bills payable		
Total short-term notes and bills payable	419,890	189,864
Current financial liabilities at fair value through profit or loss		
Total current financial liabilities at fair value through profit or loss	20,179	1,656
Notes payable		
Total notes payable	234,219	122,991
Accounts payable		
Total accounts payable	2,469,519	1,668,296
Accounts payable to related parties		
Total accounts payable to related parties	129,956	79,672
Other payables		
Total other payables	854,771	686,095
Current tax liabilities	75,792	50,932
Current provisions		
Total current provisions	117,235	37,901
Other current liabilities		
Advance receipts		
Total advance receipts	1,428,750	937,298
Long-term liabilities, current portion		
Total long-term liabilities, current portion	1,565,092	304,050
Other current liabilities, others	28,724	83,302
Total other current liabilities	3,022,566	1,324,650

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Total current liabilities	10,595,492	6,667,028
Non-current liabilities		
Long-term borrowings		
Long-term bank loans	1,316,877	1,998,577
Total long-term borrowings	1,316,877	1,998,577
Non-current provisions		
Total non-current provisions	5,393	55,991
Deferred tax liabilities		
Total deferred tax liabilities	70,720	87,610
Other non-current liabilities		
Net defined benefit liability, non-current	74,049	70,353
Guarantee deposits received	387	456
Other non-current liabilities, others	1,970	138
Total other non-current liabilities	76,406	70,947
Total non-current liabilities	1,469,396	2,213,125
Total liabilities	12,064,888	8,880,153
Equity		
Equity attributable to owners of parent		
Share capital		
Ordinary share	2,548,265	2,548,265
Total capital stock	2,548,265	2,548,265
Capital surplus		
Total capital surplus	1,190,258	1,190,258
Retained earnings		
Legal reserve	694,026	688,260
Special reserve	89,749	137,857
Unappropriated retained earnings (accumulated deficit)		
Total unappropriated retained earnings (accumulated deficit)	543,397	881,234
Total retained earnings	1,327,172	1,707,351
Other equity interest		
Total other equity interest	4,566	3,336
Treasury shares	0	0
Total equity attributable to owners of parent	5,070,261	5,449,210
Non-controlling interests	677,244	692,050
Total equity	5,747,505	6,141,260
Total liabilities and equity	17,812,393	15,021,413
Equivalent issue shares of advance receipts for ordinary share	0	0
Number of shares in entity held by entity and by its subsidiaries	0	0

Profit and Loss Account

Unit: NTD/000		
Consolidated	2017	2016
Operating revenue		
Total operating revenue	9,762,815	9,768,086

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Operating costs		
Total operating costs	7,666,519	7,616,854
Gross profit (loss) from operations	2,096,296	2,151,232
Gross profit (loss) from operations	2,096,296	2,151,232
Operating expenses		
Selling expenses		
Total selling expenses	852,580	758,349
Administrative expenses		
Total administrative expenses	873,894	897,331
Research and development expenses		
Total research and development expenses	420,296	362,775
Total operating expenses	2,146,770	2,018,455
Net operating income (loss)	-50,474	132,777
Non-operating income and expenses		
Other income		
Total other income	159,126	210,096
Other gains and losses		
Other gains and losses, net	-225,384	-164,517
Finance costs		
Finance costs, net	84,482	64,417
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	-1,786	-3,305
Total non-operating income and expenses	-152,526	-22,143
Profit (loss) from continuing operations before tax	-203,000	110,634
Tax expense (income)		
Total tax expense (income)	29,433	44,774
Profit (loss) from continuing operations	-232,433	65,860
Profit (loss)	-232,433	65,860
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	-6,536	-8,100
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-930	-1,213
Components of other comprehensive income that will not be reclassified to profit or loss	-5,606	-6,887
Components of other comprehensive income that will be reclassified to profit or loss		
Exchange differences on translation	-2,172	-126,934
Unrealised gains (losses) on valuation of available-for-sale financial assets	3,150	15,006
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-488	-21,311
Components of other comprehensive income that	1,466	-90,617

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will be reclassified to profit or loss		
Other comprehensive income, net	-4,140	-97,504
Total comprehensive income	-236,573	-31,644
Profit (loss), attributable to:		
Profit (loss), attributable to owners of parent	-237,404	57,659
Profit (loss), attributable to non-controlling interests	4,971	8,201
Comprehensive income attributable to:		
Comprehensive income, attributable to owners of parent	-241,344	-38,607
Comprehensive income, attributable to non-controlling interests	4,771	6,963
Basic earnings per share		
Basic earnings (loss) per share from continuing operations	-0.93	0.23
Total basic earnings per share	-0.93	0.23
Diluted earnings per share		
Diluted earnings (loss) per share from continuing operations	-0.93	0.23
Total diluted earnings per share	-0.93	0.23

Cash Flows

Unit: NTD/000

Consolidated	2017	2016
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	-203,000	110,634
Profit (loss) before tax	-203,000	110,634
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	231,967	246,766
Amortization expense	53,890	102,829
Provision (reversal of provision) for bad debt expense	53,382	-44,354
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	64,262	33,297
Interest expense	84,482	64,417
Interest income	-17,317	-10,676
Dividend income	-6,987	-4,219
Share of loss (profit) of associates and joint ventures accounted for using equity method	1,786	3,305
Loss (gain) on disposal of property, plan and equipment	407	1,443
Loss (gain) on disposal of investment properties	0	11,172
Loss (gain) on disposal of investments	-1,357	-1,691
Impairment loss on non-financial assets	110,786	169,957
Other adjustments to reconcile profit (loss)	110,205	81,863
Total adjustments to reconcile profit (loss)	685,506	654,109

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Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in financial assets held for trading	36,479	-76,223
Decrease (increase) in notes receivable	-197,406	11,661
Decrease (increase) in accounts receivable	-349,492	-258,979
Decrease (increase) in accounts receivable due from related parties	-118	-2,453
Decrease (increase) in other receivable	-7,119	49,385
Decrease (increase) in inventories	-1,621,234	-38,812
Decrease (increase) in prepayments	-95,978	-23,067
Decrease (increase) in other current assets	-13,106	-3,164
Total changes in operating assets	-2,247,974	-341,652
Changes in operating liabilities		
Increase (decrease) in notes payable	111,228	18,609
Increase (decrease) in accounts payable	801,223	359,772
Increase (decrease) in accounts payable to related parties	50,284	16,497
Increase (decrease) in other payable	166,566	-76,324
Increase (decrease) in provisions	-80,886	-66,485
Increase (decrease) in receipts in advance	491,452	-39,075
Increase (decrease) in other current liabilities	-54,578	7,986
Increase (decrease) in net defined benefit liability	-2,577	-91,801
Increase (decrease) in other operating liabilities	1,832	-289
Total changes in operating liabilities	1,484,544	128,890
Total changes in operating assets and liabilities	-763,430	-212,762
Total adjustments	-77,924	441,347
Cash inflow (outflow) generated from operations	-280,924	551,981
Interest received	12,237	10,867
Dividends received	6,925	4,131
Interest paid	-88,970	-69,126
Income taxes refund (paid)	-61,368	-131,380
Net cash flows from (used in) operating activities	-412,100	366,473
Cash flows from (used in) investing activities		
Acquisition of available-for-sale financial assets	-76,949	-167,316
Proceeds from disposal of available-for-sale financial assets	89,133	100,610
Proceeds from capital reduction of available-for-sale financial assets	0	2,702
Acquisition of investments accounted for using equity method	0	-1,000
Net cash flow from acquisition of subsidiaries	0	-58,460
Proceeds from disposal of subsidiaries	233	0
Acquisition of property, plant and equipment	-275,483	-717,543
Proceeds from disposal of property, plant and equipment	44,639	4,682
Increase in refundable deposits	3,704	-1,744
Acquisition of intangible assets	-27,845	-46,962
Acquisition of investment properties	0	-109,528

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TONG - TAI MACHINE & TOOL CO LTD - 521887

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Proceeds from disposal of investment properties	0	117,151
Increase in other financial assets	-632,661	-3,037
Increase in other non-current assets	-8,177	-41,351
Net cash flows from (used in) investing activities	-883,406	-921,796
Cash flows from (used in) financing activities		
Increase in short-term loans	3,287,786	3,587,554
Decrease in short-term loans	-2,541,392	-2,999,719
Increase in short-term notes and bills payable	230,026	-154,814
Proceeds from long-term debt	1,083,525	1,001,791
Repayments of long-term debt	-504,183	-441,305
Decrease in guarantee deposits received	-69	-44
Cash dividends paid	-127,413	-203,861
Change in non-controlling interests	-22,659	-39,250
Net cash flows from (used in) financing activities	1,405,621	750,352
Effect of exchange rate changes on cash and cash equivalents	-15,822	-235,367
Net increase (decrease) in cash and cash equivalents	94,293	-40,338
Cash and cash equivalents at beginning of period	1,247,629	1,287,967
Cash and cash equivalents at end of period	1,341,922	1,247,629
Cash and cash equivalents reported in the statement of financial position	1,341,922	1,247,629

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 Taiwan Bank Co. Ltd.

PUBLIC RECORD

Mortgage

1
Case Type: Chattel Mortgage
Registered Number: G(Z)DZD044261
Debtor Name: Tong-Tai Machine & Tool Co., Ltd.
Registry: Economic Development Board of Kaohsiung City Government
Name of Mortgagee: Bank Of Communications Co. Ltd.
Date of Registration: 1994-1-24
Amount of Secure Claims: NTD 36,410,000
Type of Mortgage: Machinery equipment or tools

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2

Case Type: Chattel Mortgage
Registered Number: G(Z)DZD041651
Debtor Name: Tong-Tai Machine & Tool Co., Ltd.
Registry: Economic Development Board of Kaohsiung City Government
Name of Mortgagee: Taiwan Bank Co. Ltd.
Date of Registration: 1993-1-16
Amount of Secure Claims: NTD 36,377,000
Type of Mortgage: Machinery equipment or tools

3

Case Type: Chattel Mortgage
Registered Number: NKDZD332
Debtor Name: Tong-Tai Machine & Tool Co., Ltd.
Registry: Southern Taiwan Science Park Bureau, MOST
Name of Mortgagee: Taiwan Bank Co. Ltd.
Date of Registration: 2009-9-8
Amount of Secure Claims: NTD 59,400,000
Type of Mortgage: Machinery equipment or tools

Lawsuit

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

SPECIAL NOTE

Interview Details
Interview Date 2018-7-30
Name The Operator

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.90
UK Pound	1	INR 89.99
Euro	1	INR 79.98
TWD	1	INR 2.24

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

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	PRN

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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)