

MIRA INFORM REPORT

Report No. :	539145
Report Date :	13.11.2018

IDENTIFICATION DETAILS

Name :	KAO FONG MACHINERY CO., LTD.
Registered Office :	No.16, Keya Rd., Daya Dist., Taichung City 428, Taiwan (R.O.C.)
Country :	Taiwan
Financials (as on) :	31.12.2017
Date of Incorporation :	03.02.1979
Com. Reg. No.:	55857746
Legal Form :	Joint Stock Company
Line of Business :	Manufacturing and sales of machinery
No. of Employees :	330

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

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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: Kao Fong Machinery Co., Ltd.
Supplied Name: KAO FONG MACHINERY CO LTD
Trading Address: No.16, Keya Rd., Daya Dist., Taichung City 428, Taiwan
(R.O.C.)
Supplied Address: NO.16, KEYA ROAD, DAYA DISTRICT, TAICHUNG 42881,
Telephone Number: +886-4-2566-2116
Fax Number: +886-4-2567-1001
E-mail: kafo@kafo.com.tw
Website: www.kafo.com.tw

Notes: The exact name and address are as above.

COMPANY IDENTIFICATION DETAILS

Registered Name: Kao Fong Machinery Co., Ltd.
Registered Address: No.16, Keya Rd., Daya Dist., Taichung City 428, Taiwan
(R.O.C.)
Date of Foundation: 1979-02-03
Registration Number: 55857746
Registry: Central Taiwan Science Park Bureau, MOST
Registered Capital: NTD 1,200,000,000 (USD 39,600,000)
Paid-up Capital: NTD 1,080,106,890 (USD 35,643,527.37)
Legal Representatives: Guorong Shen
Legal Form: Joint Stock Company
Principal Activities: Manufacturing and sales of machinery.
Staff: About 330 Employees
Listed at Stock Exchange: Yes; Stock Symbol:4510
Date of Last Annual Return: 2017-06-29

HISTORY

Subject was incorporated on 1979-02-03 with registered number 55857746 as Joint Stock Company in Taiwan.

Subject listed on Taiwan Over-The-Counter Securities Exchange on 1998-02-24.

CORPORATE STRUCTURE

Factories

1

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Address: No.16, Keya Rd., Daya Dist., Taichung City 428, Taiwan (R.O.C.)
Date of Registration: 2007-10-22
Factory Registration Number: 93A00006
Factory Manager: Guorong Shen
Status: In Production
Date of Last Annual Return: 2010-08-04
Major Products: 292 Other special machinery equipment
251 Metal hand tool and moulds
291 Metal processing machinery equipment
259 Other metal products
293 General machinery equipment

2
Name: Jiayi Factory
Address: No.16, Keya Rd., Daya Dist., Taichung City 428, Taiwan (R.O.C.)
Date of Registration: 2015-12-30
Factory Registration Number: 10000195
Factory Manager: Guorong Shen
Status: In Production
Date of Last Annual Return: 2018-02-13
Major Products: 291 Metal processing machinery equipment

KAFO Subsidiary

Name: TAKAWA SEIKI, Inc.
Address: 15348 Valley Blvd., City of industry, CA 91746
Tel: +626 387-5428
Fax: +626 387-5453

Related Companies

1
Name: Mixture Technology Sdn Bhd
Address: No.25 Jalan Bulan U5/166 Bandar Pinggiran Subang 40150 Shah Alam,
Malaysia
Tel: +60-12-216-5586/+60-12-219-9686
Fax: +60-3-7846-6160
E-mail: heng_mixture@hotmail.com
lim@mixture.com.my

2
Name: PT. Javatec Trimitra Machinery
Address: Jl. Kranji Blok F 18 No.17E Delta Silicon 3, Lippo Cikarang, Bekasi
17550 - Indonesia
Tel: +62-21-8990-9099
Fax: +62-21-8990-8787
E-mail: david@javatec-machinery.com

3
Name: Kao Fong Machinery (Kunshan) Co., Ltd.
(Literal Translation)
Address: No. 306, S. Qingyang Rd., Economic and Technological Development
Zone, Kunshan City, Jiangsu Province
Tel: +86-512-5771-7009

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Fax: +86-512-5770-5293
E-mail: jason@kafo.com.tw
4
Name N-Tech Machinery Co., Ltd.
Address: 399/36-37 Moo 13 Kingkaew Road, T.Rachatewa, A.Bangplee,
Samutprakarn 10540, Thailand
Tel: +662 136-5333
Fax: +662 136-5334
5
Name Ak Makina San.Tic.Ltd.Sti
Address: Abdi İpekçi Cad. Ak Makina İş Merkezi No:58 Bayrampaşa - İstanbul /
TÜRKİYE
Tel: +90 212 612 87 00
Fax: +90 212 567 57 95

Agents

1
Address: Rm.8, 4/F, No.7 1st Wuquan Rd., Xinzhuang City, Taiwan
Tel: +886-2- 2299-5537
Fax: +886-2-2299-6021
E-mail: shin.iron@msa.hinet.net
2
Address: 1/F, No.45, Jilin Rd., Jhongli City, Taoyuan County, Taiwan
Tel: +886-3-392-2129
Fax: +886-3-360-7109
3
Address: No. 321, 2nd Zhongzheng St., Yongkang City, Tainan County, Taiwan
Tel: +886-6-253-9299
Fax: +886-6-243-2975
4
Address: No. 446, Zhongxin Rd., Zuoying Dist., Kaohsiung City, Taiwan
Tel: +886-7-359-0698
Fax: +886-7-359-0987

SHAREHOLDERS

Major Shareholders

Name	Subscription Shares
Hezuan Investment Co., Ltd. (Literal Translation)	15,838,826
Far East Machinery Co., Ltd.	321,194
Haoqing Investment Co., Ltd. (Literal Translation)	1,487,855
Yuzheng Zhang	22,066

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Qianci Shen	233,788
Fengyi Huang	1,611,000
Lin Ke Co., Ltd. BVI (Literal Translation)	473,668

Shareholders' Information:

1

Registered Name:	Hezuan Investment Co., Ltd. (Literal Translation)
Registered Address:	7/F., No.391, Chenggong Road, Ruicheng Li, Dali District, Taichung City, Taiwan
Date of Foundation:	2005-12-09
Registration Number:	28051373
Registry:	Taichung City Government
Registered Capital:	NTD 213,980,000
Paid-up Capital:	NTD 213,980,000
Legal Representatives:	Guorong Shen
Legal Form:	Joint Stock Company
Date of Last Annual Return:	2017-07-20

2

Registered Name:	Far East Machinery Co., Ltd.
Registered Address:	No. 752 Chung Hsiao Rd., Chiayi City, Taiwan
Date of Foundation:	1963-10-09
Registration Number:	65818201
Registry:	Department of Commerce, Ministry of Economic Affairs, R.O.C.
Registered Capital:	NTD 1,400,000,000
Paid-up Capital:	NTD 1,167,310,000
Legal Representatives:	Guohui Zhuang
Legal Form:	Joint Stock Company
Date of Last Annual Return:	2018-01-18

3

Registered Name:	Haoqing Investment Co., Ltd. (Literal Translation)
Registered Address:	1/F., No.572, Sec 6, Huanzhong East Road, Dali District, Taichung City, Taiwan
Date of Foundation:	2005-04-15
Registration Number:	27669764
Registry:	Taichung City Government

Registered Capital: NTD 18,000,000
Legal Representatives: Yongcang Sun
Legal Form: Private Limited Liabilities Company
Date of Last Annual Return: 2015-12-07

MANAGEMENT INFORMATION

Core Management

Directors

1

Name Guorong Shen
Position Chairman of the Board & Manager

Date of Appointment for 2010-07-12
Manager

2

Name Yishan Chen
Position Director

3

Name Yongcang Sun
Position Director

4

Name Yuzheng Zhang
Position Director

5

Name Shuzhong Liao
Position Independent Director

6

Name Sida Lai
Position Independent Director

7

Name Fulin Wang

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Position	Independent Director
8	
Name	Qianci Shen
Position	Supervisor
9	
Name	Fengyi Huang
Position	Supervisor
10	
Name	Zhongxian Zhang
Position	Supervisor

Personnel Structure

Total Employees About 330 Employees

OPERATION INFORMATION

Offices & Factories

Add Headquarters
No.16, Keya Rd., Daya Dist., Taichung City 428, Taiwan
(R.O.C.)

Production Information

Subject is engaged in manufacturing of machinery, etc.
Subject has 2 factories in Taiwan for production, and the area of factory is about 3,464 square meter.
Subject obtained the certification of ISO 9001 and ISO 14001.

Patent and Certificate

Year	Details	Specification
2000	VMC-1500 was awarded with National Award of Excellence	VMC-1500
2001	VMC-850A was awarded with National Award of Excellence	VMC-850A
2002	PV-1260 was awarded with National Award of Excellence	PV-1260
2002	HMC-630 was awarded with National Award of Excellence	HMC-630
2003	VMC-1100 was awarded with National Award of Excellence	VMC-1100

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2004	VMC-11600 was awarded with National Award of Excellence	VMC-11600
2005	HMC-500 was awarded with National Award of Excellence	HMC-500
2006	HMC-630 was awarded with National Award of Excellence	HMC-630
2008	VMC-168 was awarded with National Award of Excellence	VMC-168
2009	CV-6 was awarded with Silver Award and the Best Popularity Award of National Award of Excellence	CV-6*Silver Award
2010	PV-16 high-speed Double Column machining center was awarded with National Award of Excellence	PV-16
2011	BMC-2616 was awarded with National Award of Excellence	BMC-2616

Purchase Information

The registered activities of subject:

Business Code	Details
CB01010	Manufacturing of machinery
CP01010	Manufacturing of hand tool
Research, development, design, manufacturing and sales the following items:	
--	Semiconductor processes for the vacuum pump
--	Linear motor machine tool
--	Plasma machine is used technique is applied to vertical center machine VMC850
--	Wafer cleaning machine
--	Import, export and agent of the above related products
ZZ99999	Besides licensed business, all other business items those are not banned or restricted

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

It is introduced that subject's major suppliers are Jea Sheng Industry Co., Ltd., Yuan Jun Fong Casting Co., Ltd., "Fanuc", "Mitsubishi Electric" and "Siemens", etc.

Sales Information

Subject is engaged in sales of machinery, etc.

The major products of subject are horizontal machining center, vertical machining center, CNC gantry milling machine, five-face double column machining center, etc.

Subject's sales regions include domestic market, Southeast Asia, North America and Europe, etc.

It is introduced that the general delivery lead time of subject is about 30~90 days.

Subject's major customers are manufacturers of metal products, etc.

Import and export right:

Import right	Yes
Export right	Yes

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SETTLEMENTS

Purchase

Domestic Purchase

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

Import

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

Sales

Domestic Markets

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

Export

Product Machinery, 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	309,861	277,097
Current available-for-sale financial assets		
Current available-for-sale financial assets, net	936,763	749,957
Notes receivable, net		
Notes receivable, net	68,628	35,875
Notes receivable due from related parties, net		
Notes receivable due from related parties, net	36,162	0
Accounts receivable, net		
Accounts receivable, net	672,718	627,179
Accounts receivable due from related parties, net		

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Accounts receivable due from related parties, net	64,248	52,631
Other receivables		
Other receivables, net	32,567	23,262
Current tax assets		
Total current tax assets	1,787	2,092
Inventories		
Inventories, manufacturing business		
Inventories, manufacturing business, net	893,180	704,188
Total inventories	893,180	704,188
Prepayments		
Total prepayments	41,305	24,057
Non-current assets or disposal groups classified as held for sale, net		
Non-current assets or disposal groups classified as held for sale, net	357,209	356,909
Other current assets		
Total other current assets	35,181	21,050
Total current assets	3,449,609	2,874,297
Non-current assets		
Non-current financial assets at cost		
Non-current financial assets at cost, net	136,439	113,247
Investments accounted for using equity method		
Investments accounted for using equity method, net	0	0
Property, plant and equipment		
Total property, plant and equipment	1,164,199	1,226,796
Investment property, net		
Investment property, net	260,226	105,236
Intangible assets		
Total intangible assets	4,158	1,832
Deferred tax assets	19,296	16,306
Other non-current assets		
Guarantee deposits paid	3,137	3,251
Long-term notes and accounts receivable		
Long-term notes and accounts receivable, net	58,043	42,764
Long-term prepaid rents	19,080	19,949
Other non-current assets, others		
Other non-current assets, others	2,556	3,669
Total other non-current assets, others	2,556	3,669
Total other non-current assets	82,816	69,633
Total non-current assets	1,667,134	1,533,050
Total assets	5,116,743	4,407,347
Liabilities and equity		
Liabilities		

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Current liabilities		
Short-term borrowings		
Total short-term borrowings	872,808	705,378
Short-term notes and bills payable		
Total short-term notes and bills payable	60,000	50,000
Notes payable		
Total notes payable	0	55
Accounts payable		
Total accounts payable	546,896	339,110
Other payables		
Total other payables	110,660	100,708
Current tax liabilities	5,205	375
Current provisions		
Total current provisions	11,237	9,317
Liabilities related to non-current assets or disposal groups classified as held for sale	263,100	263,100
Other current liabilities		
Advance receipts		
Total advance receipts	227,116	50,908
Long-term liabilities, current portion		
Total long-term liabilities, current portion	171,460	178,520
Other current liabilities, others	907	665
Total other current liabilities	399,483	230,093
Total current liabilities	2,269,389	1,698,136
Non-current liabilities		
Long-term borrowings		
Total long-term borrowings	518,360	510,020
Deferred tax liabilities		
Total deferred tax liabilities	858	94
Other non-current liabilities		
Net defined benefit liability, non-current	25,455	27,324
Total other non-current liabilities	25,455	27,324
Total non-current liabilities	544,673	537,438
Total liabilities	2,814,062	2,235,574
Equity		
Equity attributable to owners of parent		
Share capital		
Ordinary share	1,080,107	1,080,107
Total capital stock	1,080,107	1,080,107
Capital surplus		
Total capital surplus	270,497	270,497
Retained earnings		
Total retained earnings	269,155	282,563
Other equity interest		
Total other equity interest	679,905	535,339
Total equity attributable to owners of parent	2,299,664	2,168,506
Non-controlling interests	3,017	3,267

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Total equity	2,302,681	2,171,773
Total liabilities and equity	5,116,743	4,407,347
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	0	0

Profit and Loss Account

Unit: NTD/000		
Consolidated	2017	2016
Operating revenue		
Total operating revenue	2,784,073	2,269,103
Operating costs		
Total operating costs	2,294,311	1,789,201
Gross profit (loss) from operations	489,762	479,902
Gross profit (loss) from operations	489,762	479,902
Operating expenses		
Selling expenses		
Total selling expenses	248,469	249,484
Administrative expenses		
Total administrative expenses	92,060	90,160
Research and development expenses		
Total research and development expenses	63,358	54,051
Total operating expenses	403,887	393,695
Net operating income (loss)	85,875	86,207
Non-operating income and expenses		
Other income		
Total other income	51,147	46,226
Other gains and losses		
Other gains and losses, net	-33,032	-19,071
Finance costs		
Finance costs, net	27,851	25,371
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	0	-1,310
Total non-operating income and expenses	-9,736	474
Profit (loss) from continuing operations before tax	76,139	86,681
Tax expense (income)		
Total tax expense (income)	9,729	12,501

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Profit (loss) from continuing operations	66,410	74,180
Profit (loss)	66,410	74,180
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	-4,209	74
Components of other comprehensive income that will not be reclassified to profit or loss	-4,209	74
Components of other comprehensive income that will be reclassified to profit or loss		
Exchange differences on translation	-3,762	-24,133
Unrealised gains (losses) on valuation of available-for-sale financial assets	147,479	24,093
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-597	-4,093
Components of other comprehensive income that will be reclassified to profit or loss	144,314	4,053
Other comprehensive income, net	140,105	4,127
Total comprehensive income	206,515	78,307
Profit (loss), attributable to:		
Profit (loss), attributable to owners of parent	66,408	74,175
Profit (loss), attributable to non-controlling interests	2	5
Comprehensive income attributable to:		
Comprehensive income, attributable to owners of parent	206,765	78,360
Comprehensive income, attributable to non-controlling interests	-250	-53
Basic earnings per share		
Total basic earnings per share	0.61	0.69
Diluted earnings per share		
Total diluted earnings per share	0.61	0.68

Cash Flows

Unit: NTD/000		
Consolidated	2017	2016
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	76,139	86,681

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Profit (loss) before tax	76,139	86,681
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	54,161	52,206
Amortization expense	1,784	1,831
Provision (reversal of provision) for bad debt expense	2,311	4,215
Interest expense	27,851	25,371
Interest income	-2,989	-2,118
Dividend income	-28,067	-22,802
Share of loss (profit) of associates and joint ventures accounted for using equity method	0	1,310
Loss (gain) on disposal of property, plant and equipment	815	-1,522
Loss (gain) on disposal of investments	965	-301
Impairment loss on non-financial assets	7,366	0
Other adjustments to reconcile profit (loss)	636	683
Total adjustments to reconcile profit (loss)	64,833	58,873
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in notes receivable	-33,086	21,440
Decrease (increase) in notes receivable due from related parties	-36,527	75
Decrease (increase) in accounts receivable	-65,170	-303,104
Decrease (increase) in accounts receivable due from related parties	-8,882	-13,214
Decrease (increase) in other receivable	-13,197	-10,132
Decrease (increase) in inventories	-179,873	-41,918
Decrease (increase) in prepayments	-15,567	129,477
Decrease (increase) in other current assets	0	373
Decrease (increase) in other financial assets	-14,131	-908
Total changes in operating assets	-366,433	-217,911
Changes in operating liabilities		
Increase (decrease) in notes payable	-55	-1,019
Increase (decrease) in accounts payable	207,810	198,531
Increase (decrease) in accounts payable to related parties	-24	1,156
Increase (decrease) in other payable	10,562	14,756
Increase (decrease) in other payable to related parties	94	124
Increase (decrease) in provisions	1,920	1,547

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Increase (decrease) in receipts in advance	5,317	11,303
Increase (decrease) in other current liabilities	242	-53
Increase (decrease) in net defined benefit liability	-6,078	-3,517
Total changes in operating liabilities	219,788	222,828
Total changes in operating assets and liabilities	-146,645	4,917
Total adjustments	-81,812	63,790
Cash inflow (outflow) generated from operations	-5,673	150,471
Interest received	2,967	2,117
Dividends received	25,193	22,802
Interest paid	-27,321	-25,614
Income taxes refund (paid)	1,155	-27,590
Net cash flows from (used in) operating activities	-3,679	122,186
Cash flows from (used in) investing activities		
Acquisition of available-for-sale financial assets	-39,327	0
Acquisition of financial assets at cost	-23,192	-36,840
Proceeds from disposal of financial assets at cost	20	9,196
Proceeds from capital reduction of financial assets at cost	0	30,228
Proceeds from disposal of investments accounted for using equity method	0	100
Acquisition of non-current assets classified as held for sale	-300	0
Acquisition of property, plant and equipment	-6,498	-61,791
Proceeds from disposal of property, plant and equipment	-3	2,152
Increase in receipts in advance due to disposal of assets	170,891	0
Increase in refundable deposits	-423	-2,176
Decrease in refundable deposits	537	958
Acquisition of intangible assets	-4,110	-1,080
Acquisition of investment properties	-162,938	-15,888
Increase in other prepayments	0	-15,378
Decrease in other prepayments	0	5,431
Net cash flows from (used in) investing activities	-65,343	-85,088
Cash flows from (used in) financing activities		
Increase in short-term loans	167,430	76,466
Increase in short-term notes and bills	10,000	0

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payable		
Proceeds from long-term debt	982,740	913,100
Repayments of long-term debt	-981,460	-964,560
Cash dividends paid	-75,607	-86,409
Net cash flows from (used in) financing activities	103,103	-61,403
Effect of exchange rate changes on cash and cash equivalents	-1,317	-8,465
Net increase (decrease) in cash and cash equivalents	32,764	-32,770
Cash and cash equivalents at beginning of period	277,097	309,867
Cash and cash equivalents at end of period	309,861	277,097
Cash and cash equivalents reported in the statement of financial position	309,861	277,097

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.

BANKER

Name: Hua Nan Commercial Bank Limited

PUBLIC RECORD

Mortgage

Case Type:	Chattel Mortgage
Registered Number:	ZYDZD000046
Debtor Name:	Taiwan Land Bank Co., Ltd. (Literal Translation)
Registry:	Central Taiwan Science Park Bureau, MOST
Name of Mortgagee:	Kao Fong Machinery Co., Ltd.
Date of Registration:	2016-08-01
Amount of Secure Claims:	NTD 48,790,000
Type of Mortgage:	Machinery equipment or tools

Lawsuit

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



MIRA INFORM PRIVATE LIMITED
605, Palmspring, Near D'Mart, Link Road,
Malad (West), Mumbai - 400 064. INDIA
Tel : 91-22-40448000 (44 lines)
Fax : 91-22-40448045 / 40448046
E-mail : mira@mirainform.com
info@mirainform.com
Website : <http://www.mirainform.com>
<http://www.miraglobalcheck.com>
<http://www.miraglobalcollections.com>

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SPECIAL NOTE

Interview Details

Name	Ms. Chen
Department	Sales Department
E-mail:	<u>yvonna@kafo.com.tw</u>

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.91
UK Pound	1	INR 93.99
Euro	1	INR 82.43
TWD	1	INR 2.35

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

INFORMATION DETAILS

Analysis Done by :	VIV
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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