

MIRA INFORM REPORT

Report No. :	539647
Report Date :	21.11.2018

IDENTIFICATION DETAILS

Name :	HUA JENG CHEMICAL INDUSTRIAL CO., LTD.
Registered Office :	No.6 Chung Cheng Road, Ming Hsiang Ind. Dist., Ming Hsiung Shiung Chai-Yi County
Country :	Taiwan
Date of Incorporation :	05.09.1996
Com. Reg. No.:	97210018
Legal Form :	Joint Stock Company
Line of Business :	Manufacturing and sale of chemical materials.
No. of Employees :	130

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

COMPANY NAME AND ADDRESS

Company Name: Hua Jeng Chemical Industrial Co., Ltd.
Supplied Name: HUA JENG CHEMICAL INDUSTRIAL CO. LTD.
Trading Address: No.6 Chung Cheng Road, Ming Hsiang Ind. Dist., Ming Hsiung Shiung
Chai-Yi County, Taiwan
Supplied Address: NO. 6 CHUNG CHENG ROAD MING HSIUNG IND DIST MING HSIUNG
CHAI YI
Telephone Number: +886-5-2205230
Fax Number: +886-5-2210843
E-mail: huajeng@ms15.hinet.net

Note: The exact name and address are as above.

COMPANY IDENTIFICATION DETAILS

Registered Name: Hua Jeng Chemical Industrial Co., Ltd.
Registered Address: No.6 Chung Cheng Road, Ming Hsiang Ind. Dist., Ming Hsiung Shiung
Chai-Yi County, Taiwan
Date of Foundation: 1996-9-5
Registration Number: 97210018
Registry: MOEA Central Office
Registered Capital: NTD 210,000,000 (USD 6,930,000)
(As of 2018.11, 1 NTD = 0.033 USD)
Paid-up Capital: NTD 210,000,000 (USD 6,930,000)
Legal Representatives: Zhenzong Guo
Legal Form: Joint Stock Company
Principal Activities: Manufacturing and sale of chemical materials and etc.
Staff: About 130 Employees
Listed at Stock Exchange: No
Date of Last Annual Return: 2018-06-20

HISTORY

Subject was incorporated on 1996-9-5 with registered number 97210018 as Joint Stock Company in Taiwan.

CORPORATE STRUCTURE

Factories

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1
Address: No.6 Chung Cheng Road, Ming Hsiang Ind. Dist., Ming Hsiung Shiung,
Chai-Yi County, Taiwan
Date of Foundation: 1996-12-06
Date of Registration: 1997-01-03
Factory Registration Number: 99655069
Factory Manager: Zhenzong Guo
Status: In Production
Date of Last Annual Return: 2015-04-20
Major Products: 184 synthetic resin, plastic and rubber

2
Name: Liuying Factory
Address: No.8 Gongwu Road, Danong Li, Liuying District, Tainan City, Taiwan
Date of Registration: 2013-1-9
Factory Registration Number: 67000552
Factory Manager: Zhenzong Guo
Status: In Production
Date of Last Annual Return: 2013-1-9
Major Products: 220 plastic products
Tel: +886-6-6234098
Fax: +886-6-6230782

SHAREHOLDERS

Major Shareholders

Name	Subscription Shares
Zhenzong Guo	7,813,050
Yourui Guo	1,357,755
Junliang Guo	3,610,950
Qianhui Guo	2,485,245

MANAGEMENT INFORMATION

Core Management

Directors

1
Name: Zhenzong Guo
Position: Board Chairman

2
Name: Yourui Guo
Position: Director

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3

Name Junliang Guo
Position Director

4

Name Qianhui Guo
Position Supervisor

Personnel Structure

Total Employees About 130 Employees

OPERATION INFORMATION

Offices & Factories

Add Headquarters
No.6 Chung Cheng Road, Ming Hsiang Ind. Dist., Ming Hsiung
Shiung Chai-Yi County, Taiwan

Production Information

Subject is engaged in manufacturing of chemical materials, etc.
It is introduced that subject has factories in Taiwan for production.

Purchase Information

The registered activities of subject:

Business Code	Details
C601030	Manufacturing of Paper container
C801020	Manufacturing of Petrochemical raw material
C801100	Manufacturing of Synthetic resins and plastics
C801990	Manufacturing of Other chemical materials
C802120	Manufacturing of Industrial additives
C802990	Manufacturing of Other chemicals
F107990	Wholesale of Other chemicals
F113010	Wholesale of machinery
F213080	Retail of Mechanical equipment
F401010	International trading business
G801010	Storage business
ZZ99999	Besides licensed business, all other business items those are not banned or restricted.

Subject purchases its raw materials, etc. both at home and abroad.
It is introduced that some production facilities are imported from Germany, etc.

Sales Information

Subject is engaged in sale of materials for chemical materials, etc.
Subject's main products are industrial grade EPS and food grade EPS, etc.
Subject's selling regions include Asia, the Middle East, Europe, America, Africa, Australia and etc.
It is introduced that subject's products are used for processing and manufacturing of packaging items, tableware and etc.
It is introduced that subject has its own brand "Hua Jeng".
Subject's major customers are packing materials manufacturing industry and etc.
It is introduced that subject has many customers such as Georgia Pacific Canada and Grupo Industrial Reyma, S.A. De. C.V and etc.

Import and export right:

Import right	Yes
Export right	Yes

SETTLEMENTS

Purchase

Domestic Purchase

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

Import

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

Sales

Domestic Markets

Product	Chemical materials, etc.
Selling Terms	T/T, Cash, etc.

Export

Product	Chemical materials, 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

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other sources we could not obtain such information, either.

BANKERS

Subject declined to disclose its bank details; from other source we could not obtain the relevant information, either.

PUBLIC RECORD

Mortgage

1

Case Type: Chattel Mortgage
Registered Number: JSZDZD113576
Debtor Name: Hua Jeng Chemical Industrial Co., Ltd.
Registry: MOEA Central Office
Name of Mortgagee: Hua Nan Commercial Bank, Ltd East Kaoxiong Branch
Date of Registration: 2016-8-31
Amount of Mortgage: NTD 101,730,000
Type of Subject Matter: Machinery or tools

2

Case Type: Chattel Mortgage
Registered Number: JSZDZD108765
Debtor Name: Hua Jeng Chemical Industrial Co., Ltd.
Registry: MOEA Central Office
Name of Mortgagee: Hua Nan Commercial Bank, Ltd East Kaoxiong Branch
Date of Registration: 2013-11-07
Amount of Mortgage: NTD 101,730,000
Type of Subject Matter: Machinery or tools

3

Case Type: Chattel Mortgage
Registered Number: JSZDZD105239
Debtor Name: Hua Jeng Chemical Industrial Co., Ltd.
Registry: MOEA Central Office
Name of Mortgagee: Hua Nan Commercial Bank, Ltd East Kaoxiong Branch
Date of Registration: 2012-01-02
Amount of Mortgage: NTD 73,200,000
Type of Subject Matter: Machinery or tools

4

Case Type: Chattel Mortgage
Registered Number: FJGSDZD002329
Debtor Name: Hua Jeng Chemical Industrial Co., Ltd.
Registry: Economic Development Bureau of Tainan City Government

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Name of Mortgagee: Hua Nan Commercial Bank, Ltd
Date of Registration: 2016-8-25
Amount of Mortgage: NTD 179,240,000
Type of Subject Matter: Machinery or tools
5
Case Type: Chattel Mortgage
Registered Number: FJGSDZD000899
Debtor Name: Hua Jeng Chemical Industrial Co., Ltd.
Registry: Economic Development Bureau of Tainan City
Government
Name of Mortgagee: Hua Nan Commercial Bank, Ltd
Date of Registration: 2013-11-8
Amount of Mortgage: NTD 179,240,000
Type of Subject Matter: Machinery or tools

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 71.33
UK Pound	1	INR 91.72
Euro	1	INR 81.69
TWD	1	INR 2.31

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	TRU

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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)