

MIRA INFORM REPORT

| | |
|---------------|------------|
| Report No. : | 541719 |
| Report Date : | 29.11.2018 |

IDENTIFICATION DETAILS

| | |
|-------------------------|--|
| Name : | CHUEN HUAH CHEMICAL CO., LTD. |
| Registered Office : | No.151, Ta Te 1st Rd., Bihong Li, Gangshan Dist., Kaohsiung City, (R.O.C.) |
| Country : | Taiwan |
| Date of Incorporation : | 11.02.1987 |
| Com. Reg. No.: | 22391179 |
| Legal Form : | Joint Stock Company |
| Line of Business : | Manufacturing and sales of chemicals |
| No. of Employees : | 150 |

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 : | 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.

ECGC Country Risk Classification List

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| 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: Chuen Huah Chemical Co., Ltd.
Supplied Name: CHUEN HUAH CHEMICAL CO LTD
Trading Address: No.365, Daren N. Rd., Gangshan Township, Kaohsiung County 820, Taiwan (R.O.C.)
Supplied Address: No.365, Ta-Jen North Road, Kang Shan Dist., Kaohsiung,
Telephone Number: +886-7-621-7177
Fax Number: +886-7-622-0593
E-mail: chctw@chctw.com
Website: www.chctw.com

Notes: The exact name and address are as above.

COMPANY IDENTIFICATION DETAILS

Registered Name: Chuen Huah Chemical Co., Ltd.
Registered Address: No.151, Ta Te 1st Rd., Bihong Li, Gangshan Dist., Kaohsiung City, Taiwan (R.O.C.)
Date of Foundation: 1987-02-11
Registration Number: 22391179
Registry: Economic Development Board of Kaohsiung City Government
Registered Capital: NTD 170,000,000 (USD 5,491,000)
Paid-up Capital: NTD 170,000,000 (USD 5,491,000)
Legal Representatives: Zhenhui Chen
Legal Form: Joint Stock Company
Principal Activities: Manufacturing and sales of chemicals, etc.
Staff: About 150 Employees (from public files)
Listed at Stock Exchange: No
Date of Last Annual Return: 2016-09-01

Note: Subject relevant staff declined to disclose the staff number of the subject. From public files we find that the subject has about 150 employees.

HISTORY

Subject was incorporated on 1987-02-11 with registered number 22391179 as Joint Stock Company in Taiwan.

CORPORATE STRUCTURE

Factories

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1
Address: No.151, Ta Te 1st Rd., Bihong Li, Gangshan Dist., Kaohsiung City, Taiwan (R.O.C.)
Date of Foundation: 1990-12-31
Date of Registration: 1990-12-31
Factory Registration Number: 99664628
Factory Manager: Zhenhui Chen
Status: In Production
Date of Last Annual Return: 2014-11-02
Major Products: 184 Plastic and synthetic rubber raw material
Tel: +886-7-6217559
Fax: +886-7-6225804

2
Name: Benzhou Factory
Address: No.1, Ben Gong 7th Road and No. 190 Benzhou Road, Benzhou Li, Gangshan Dist., Kaohsiung City, Taiwan (R.O.C.)
Date of Registration: 2005-09-23
Factory Registration Number: 99704810
Factory Manager: Zhenhui Chen
Status: In Production
Date of Last Annual Return: 2014-12-22
Major Products: 184 Plastic and synthetic rubber raw material
292 Other dedicated machinery and equipment
Tel: +886-7-6235300
Fax: +886-7-6235304

3
Name: Benzhou 2nd Factory
Address: No.176, Benzhou Rd., Benzhou Li, Gangshan Dist., Kaohsiung City, Taiwan (R.O.C.)
Date of Registration: 2017-12-14
Factory Registration Number: 64007988
Factory Manager: Zhenhui Chen
Status: In Production
Date of Last Annual Return: 2017-12-14
Major Products: 192 paints, coating and dyes
Tel: +886-7-6217187
Fax: +886-7-6225804

4
Name: Machinery Factory
Address: No.176, Benzhou Rd., benzhou Li, Gangshan Dist., Kaohsiung City, Taiwan (R.O.C.)
Date of Registration: 2010-09-16
Factory Registration Number: 99721738
Factory Manager: Zhenhui Chen
Status: In Production
Date of Last Annual Return: 2013-05-01
Major Products: 292 Other dedicated machinery and equipment
Tel: +886-7-6217187
Fax: +886-7-6217578

5
Name Vietnam Plant
Address So 29, Vsipii So 2, Kcn Viet Nam, Singapore li Klh-Cn-Dv-Dt Binh Duong, Huyen Ben Cat, Tinh Binh Duong, Vietnam
Tel: +84-650-3865252~53
Fax: +84-650-3865222

6
Name Jiaxing Plant
Address No. 65, Chenggong Rd., Jiashan Economic Development Zone, Zhejiang, China, 314116
Tel: +86-573-84182500
Fax: +86-573-84182504

Related Companies:

1
Name: Seeco Korea Co., Ltd.
Address: #507 Samyoung Building 701-1 Gojan-Dong, Danwon-Gu, Ansan City, Kyunggi-Do 425-807 Korea
Contact Person: Steve Kim
Telephone Number: +82-31-481 9911
Fax Number: +82-31-481-9922

2
Name: Dia Phong Trading Co., Ltd.
Address: 22, A4 Street, Ward 12, Tan Binh District, Ho Chi Minh City, Vietnam
Contact Person: Tsai Chao Chung
Telephone Number: +84-8-38119848
Fax Number: +84-8-38116911

3
Name: Thai Fiber & Machinery Supply Co., Ltd
Address: 3195/15 10th Floor Vibulthani Tower, Rama Iv Road, Klong Ton, Klgng Toey, Bangkok 10110 Thailand
Contact Person: Itiporn Porliam
Telephone Number: +63-2-6615422
Fax Number: +63-2-6615424

Other Related Companies:

Chuen Huah Chemical Co., Ltd.
Jang Huah Chemical Co., Ltd.
Mailouler Enterprise Co., Ltd.
Xinhua Trading Co., Ltd. (Dongguan, China)
Better Resin Joint Stock Company (Vietnam)
Yu Tyan Engineering Co., Ltd. (Taiwan)
Jiaxing Chuen Huah Fine Chemical Co., Ltd. (China)
Jiaxing Chuen Huah Machinery Co., Ltd. (China)
Yueh Hsiang Best Co., Ltd (Vietnam)
Tavan Gashta Int'l (TGI) (Iran)
Line-Text International (USA)
Furnax Comercial E Importadora Ltda (Brazil)

SHAREHOLDERS

Major Shareholders

| Name | Subscription Shares |
|----------------|---------------------|
| Zhenhui Chen | 42,500 |
| Laijin Lin | 42,500 |
| Tongcheng Chen | 14,067 |
| Qingtian Mao | 14,167 |

MANAGEMENT INFORMATION

Core Management

| | |
|----------|----------------|
| 1 | |
| Name | Zhenhui Chen |
| Position | Board Chairman |
| 2 | |
| Name | Laijin Lin |
| Position | Director |
| 3 | |
| Name | Tongcheng Chen |
| Position | Director |
| 4 | |
| Name | Qingtian Mao |
| Position | Supervisor |

Personnel Structure

Total Employees About 150 Employees

Note: The above information is from public files.

OPERATION INFORMATION

Offices & Factories

Add Headquarters
No.365, Daren N. Rd., Gangshan Township, Kaohsiung County
820, Taiwan (R.O.C.)

Production Information

Subject is engaged in manufacturing of chemicals, etc.

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It is introduced that subject has 4 factories in Taiwan, one factory in the mainland of China and one factory in Vietnam for production.

Subject has obtained ISO 9002, SGS and ISO 9001 certifications.

Purchase Information

The registered activities of subject:

| Business Code | Details |
|---------------|---|
| - | Manufacturing and sales of resin (Urea and white glues). |
| - | Importing and exporting of above related products and their raw materials. |
| - | Trading, importing and exporting of chemical industrial raw materials. |
| ZZ99999 | Besides licensed business, all other business items those are not banned or restricted. |

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

Sales Information

Subject is engaged in sale of chemicals, etc.

The major products include paper chemicals, corrugated equipment, corrugated chemicals, amino crosslinking resins, plywood adhesives and textile auxiliaries, etc.

Subject's sales regions include domestic market and abroad.

Subject's major customers are manufacturers of paper, furniture, textile and automobile, etc.

Some of subject's customers include Rapidbond Inc., Atlantic Packaging Ltd., Kapstone Container Corp., Durabox Sxp Packaging Inc., etc.

Major Products

| Product | Sales Region |
|---------------------------|---|
| Paper Chemicals | 1. Dry-strength resins 2. Wet-strength resins 3. Modified starch |
| Corrugated Equipment | Glue mixing system (Automatic glue kitchen, Semi-automatic glue kitchen, Auto glue distribution system, Auto liquid addition unit) Coating system (Roll coater (Wax/Waterborne resin)) |
| Corrugated Chemicals | Starch additives Coating materials Lamination adhesive |
| Amino Crosslinking Resins | 1. Methylated melamine resins 2. Co-etherified melamine resins 3. Butylated melamine resins 4. Urea resins 5. Benzoguanamine resin |
| Plywood Adhesives | Urea-formaldehyde resin Melamine-formaldehyde resin Phenol-formaldehyde resin Resorcinol-phenol-formaldehyde resin Eco-friendly adhesive |

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| | |
|--|--|
| Textile Auxiliaries Specific Applic | Amino crosslinking resins Functional modified epoxy resin |
| Import and export right: | |
| Import right | Yes |
| Export right | Yes |

SETTLEMENTS

Purchase

Domestic Purchase

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

Import

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

Sales

Domestic Markets

| | |
|---------------|-----------------|
| Product | Chemicals, etc. |
| Selling Terms | T/T, Cash, etc. |

Export

| | |
|---------------|-----------------|
| Product | Chemicals, etc. |
| Selling Terms | L/C, T/T, etc. |

FINANCIAL INFORMATION

Subject has no obligations to disclose its financial statements to the third party according to the relevant policy in Taiwan and the only source from which we can obtain the information is the subject itself.

Subject's relevant staff declined to disclose its financials citing the grounds of company's confidentiality; from other sources we could not obtain such information, either.

BANKERS

| | |
|-------|------------------------------------|
| 1 | |
| Name: | Chang Hwa Commercial Bank |
| 2 | |
| Name: | Mega International Commercial Bank |

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PUBLIC RECORD

Mortgage

No chattel mortgage record of subject has been found within the recent 3 months.

Lawsuit

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

SPECIAL NOTE

Interview Details

| | |
|------------|---|
| Name | Mr. Lin |
| Position: | Sales Manager |
| Department | Sales Department |
| Comments: | We dialed the telephone number +886-7-621-7177, a lady answered the phone and confirmed the trading address of the subject. When we asked about the operation, the lady transferred the phone to Mr. Lin and Mr. Lin confirmed the rest information of this report. |

FOREIGN EXCHANGE RATES

| Currency | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1 | INR 70.69 |
| UK Pound | 1 | INR 90.14 |
| Euro | 1 | INR 79.88 |
| TWD | 1 | INR 2.28 |

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

INFORMATION DETAILS

| | |
|----------------------|-----|
| Analysis Done by : | VIV |
| Report Prepared by : | 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)

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