

MIRA INFORM REPORT

Report No. :	534674
Report Date :	22.10.2018

IDENTIFICATION DETAILS

Name :	KING SUN INDUSTRY CO., LTD.
Registered Office :	No. 5, Shao-Hsing S. St., Jhongjheng Dist., Taipei City
Country :	Taiwan
Date of Incorporation :	18.07.1978
Com. Reg. No.:	36533487
Legal Form :	Joint Stock Company
Line of Business :	Manufacturing and sale of cooling towers
No. of Employees :	350

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 :	Slow but Correct
Litigation :	Exist

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: King Sun Industry Co., Ltd.
Supplied Name: PYRAMID CO. LTD.
Trading Address: No. 5, Shao-Hsing S. St., Jhongjheng Dist., Taipei City, Taiwan
Supplied Address: NO.05, SHAO HSING SOUTH STREET, TAIPEI
Telephone Number: +886-2-2341-7281
Fax Number: +886-2-2356-0700
E-mail: lillian@kingsun.com.tw
Website: www.kingsun.com.tw

Notes: The exact name and address are as above.

COMPANY IDENTIFICATION DETAILS

Registered Name: King Sun Industry Co., Ltd.
Registered Address: No. 5, Shao-Hsing S. St., Jhongjheng Dist., Taipei City, Taiwan
Date of Foundation: 1978-07-18
Registration Number: 36533487
Registry: Taipei City Government
Registered Capital: NTD 150,000,000 (USD 4,845,000)
Paid-up Capital: NTD 150,000,000 (USD 4,845,000)
Legal Representatives: Lincai Li
Legal Form: Joint Stock Company
Principal Activities: Manufacturing and sale of cooling towers, etc.
Staff: About 350 employees
Listed at Stock Exchange: No
Date of Last Annual Return: 2018-01-25

HISTORY

Subject was incorporated on 1978-07-18 with registered number 36533487 as Joint Stock Company in Taiwan.

CORPORATE STRUCTURE

Factories:

1
Name: Zhongli the 2nd Factory
Address: No. 320, Sec. 4, Jhongjheng Rd., 4th Neighborhood, Shandong Li, Zhongli Dist., Taoyuan City, Taiwan
Date of Registration: 2011-06-27

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Factory Registration Number:	03000488
Factory Manager:	Lincai Li
Status:	In Production
Date of Last Annual Return:	2011-06-27
Major Products:	293 general machinery equipment
2	
Address:	No. 18, Heding Rd., Neiding Li, Zhongli Dist., Taoyuan City, Taiwan
Date of Foundation:	1969-01-01
Date of Registration:	1979-06-16
Factory Registration Number:	99625840
Factory Manager:	Lincai Li
Status:	In Production
Date of Last Annual Return:	2002-08-15
Major Products:	253 metal containers 293 general machinery equipment

Branches:

1	
Name	Kaohsiung Branch
Registration Number	24496831
Date of Registration	2010-01-18
Status	Active
Manager Name	Not Stated
Date of Last Annual Return	--
2	
Name	Taichung Branch
Registration Number	24490077
Date of Registration	2009-12-22
Status	Active
Manager Name	Not Stated
Date of Last Annual Return	2013-04-16

Notes: The above information is from the local registry in Taiwan.

Branches:

1	
Name:	Taoyuan Branch
Address:	No. 689, Zhongshan Rd., Taoyuan Dist., Taoyuan City, Taiwan
Telephone Number:	+886-3-2205-130
Fax Number:	+886-3-2205-132
2	
Name:	Hsinchu Branch
Address:	No. 6, Tiyu St., E. Dist., Hsinchu City, Taiwan
Telephone Number:	+886-3-5618-808
Fax Number:	+886-3-5618-806
3	
Name:	Tainan Branch
Address:	No. 27, Daji Rd., Taizi Li, Rende Dist., Tainan City, Taiwan

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Telephone Number: +886-6-2052-966
Fax Number: +886-6-2055-883

Notes: The above information is from public files which is not confirmed by the subject directly.

Offices:

1

Name: Yilan Office
Address: No. 11, Nongquan Rd., Yilan City, Yilan County, Taiwan
Telephone Number: +886-3-9324-607
Fax Number: +886-3-9323-213

2

Name: Chiayi Office
Address: No. 50-20, Dajuewei, Shuishang Town, Chiayi County, Taiwan
Telephone Number: +886-5-2686-656
Fax Number: +886-5-2686-676

3

Name: Hualian Office
Address: No. 53, Dajuewei, Minde 4th St., Hualian City, Hualian County, Taiwan
Telephone Number: +886-3-8350-323
Fax Number: +886-3-8350-851

4

Name: Taipei the 2nd Office
Address: No. 5, Shao-Hsing S. St., Jhongjheng Dist., Taipei City, Taiwan
Telephone Number: +886-2-2341-7281-156
Fax Number: +886-2-3322-3229

5

Name: Tainan the 2nd Office
Address: No. 27, Daji Rd., Taizi Li, Rende Dist., Tainan City, Taiwan
Telephone Number: +886-6-2052-966
Fax Number: +886-6-2057-298

6

Name: Kaohsiung the 2nd Office
Address: No. 27, 560 Ln., Minzu 1st Rd., Sanmin Dist., Kaohsiung City, Taiwan
Telephone Number: +886-7-3868-066-201
Fax Number: +886-7-3953-145

7

Name: Engineering Department
Address: No. 18, Heding Rd., Zhongli Dist., Taoyuan City, Taiwan
Telephone Number: +886-3-4522-088-205
Fax Number: +886-3-4621-588

Notes: The above information is from public files which is not confirmed by the subject directly.

SHAREHOLDERS

Major Shareholders

Name	Subscription Shares
Lincai Li	1,050,000
Jinde Wu	812,170
Lintian Li	2,650,000
Liagui Huang	1,555,902
Chunsheng Li	101,145
Changzheng Jian	2,947,350

MANAGEMENT INFORMATION

Core Management

1	
Name	Lincai Li
Position	Chairman of the Board
2	
Name	Jinde Wu
Position	Director
3	
Name	Lintian Li
Position	Director & Manager
Date of Appointment of Manager	1988-04-05
4	
Name	Liagui Huang
Position	Director
5	
Name	Chunsheng Li
Position	Director
6	
Name	Changzheng Jian
Position	Supervisor

Personnel Structure

Total Employees About 350 employees

OPERATION INFORMATION

Offices & Factories

Headquarters
Add No. 5, Shao-Hsing S. St., Jhongheng Dist., Taipei City, Taiwan

Production Information

Subject is engaged in manufacturing of cooling towers, etc.
Subject has two factories in Taoyuan City, Taiwan for production.
Subject obtained the certifications of ISO 9001:2015, ISO 14001:2015, ISO 9001:2015, etc.

Purchase Information

The registered activities of subject:

Business Code	Details
E602011	Refrigeration and air-conditioning engineering industry
CB01071	Manufacturing of refrigeration and air conditioning equipment
E603110	Refrigeration engineering industry
E599010	Piping engineering industry
CB01010	Manufacturing of mechanical equipment
CD01030	Manufacturing of automotive and their parts
CB01990	Manufacturing of other machineries
CB01030	Manufacturing of pollution control equipment
C805070	Manufacturing of reinforced plastic products
C901020	Manufacturing of glass and glass products
F401010	International trade
IG03010	Energy technology services
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 from abroad.

Sales Information

Subject is engaged in sale of cooling towers, etc.

The major products include KST-N counterflow, bottle type cooling tower, KLN counterflow, bottle type, low noise cooling tower, KFT counterflow, square type, modular cell cooling tower, KH crossflow, square type, modular cell cooling tower and so on.

It is introduced that the subject also sells water care systems, Q-link couplings/press fittings, water pumps, etc. Subject's sales regions include Indonesia, Japan, Malaysia, Canada, the U.S., New Zealand, South Africa, etc. It is introduced that the subject has global marketing network that can sell products across Asia, America,

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Oceania, Europe and Africa.

It is introduced that the subject also provides contracting services.

It is introduced that the subject's contracting projects include Taipei Metro, Taipei 101 Finance Centre, Uni-President Group, Chi Mei Optoelectronics Corporation, AU Optronics, Bottlemate Inc., Canon Inc., Tainan Hospital, Miao Country government, Ocean Plastics Co., Ltd., Epistar Corp., etc.

Some of subject's customers include Dollar Tree Distribution Inc., Greenbrier International Inc., Disney Theme Park Merchandise and so on.

Import and export right:

Import right	Yes
Export right	Yes

Product Type	Specific Products
Cooling Towers	KST-N counterflow, bottle type cooling tower, KLN counterflow, bottle type, etc.
Water Care Systems	XF water sand filter, XP separator, etc.
Q-link Couplings/Press Fittings	MIE-G stainless steel press fitting, MIE-K air conditioning series, MIE-K firefighting series, etc.
Water Pumps	KSPW water pump
Other Products	HSDB-A, HAC, VAF, HSJ, etc.

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	Cooling towers, etc.
Selling Terms	T/T, Cash, etc.

Export

Product	Cooling towers, 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 Ms. Zheng declined to disclose its financials citing the grounds of company's confidentiality; from 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

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

Lawsuit

1	
Trial Number:	2018, beilaojian,84
Date of Trial:	2018-09-07
Reason:	Compensation for damage from occupational accidents
Claimant:	Chengzu Chen
Defendant:	King Sun Industry Co., Ltd.
Status:	Not Stated
2	
Trial Number:	2018, beijian,4243
Date of Trial:	2018-04-30
Reason:	Payment of goods
Claimant:	King Sun Industry Co., Ltd.
Defendant:	Johnson Tech. Ltd.
Status:	Not Stated
3	
Trial Number:	2011, beijian,4945
Date of Trial:	2012-05-29
Reason:	Payment of goods
Claimant:	Siemens AG
Defendant:	King Sun Industry Co., Ltd.
Status:	Not Stated
4	
Trial Number:	2007, beijian,55966

Date of Trial: 2008-06-24
Reason: Payment of goods
Claimant: King Sun Industry Co., Ltd.
Defendant: Jinghui Enterprise Co. Ltd. (Literal Translation)
Status: Not Stated
5
Trial Number: 2007, beijian,27185
Date of Trial: 2007-08-17
Reason: Payment of goods
Claimant: King Sun Industry Co., Ltd.
Defendant: Qunneng Company Limited (Literal Translation)
Status: Not Stated
6
Trial Number: 2006, beijian,48630
Date of Trial: 2006-12-08
Reason: Payment of goods
Claimant: King Sun Industry Co., Ltd.
Defendant: Xinqingyuan Electrical Engineering Co. Ltd. (Literal Translation)
Status: Not Stated
7
Trial Number: 2006, beijian,44192
Date of Trial: 2006-11-27
Reason: Payment of fare
Claimant: King Sun Industry Co., Ltd.
Defendant: Zhicheng Industrial Co., Ltd. (Literal translation)
Huangde Hydropower Engineering Co. Ltd. (Literal Translation)
Status: Not Stated
8
Trial Number: 2003, beijian,4424
Date of Trial: 2003-03-11
Reason: Payment of goods
Claimant: Not Stated
Defendant: King Sun Industry Co., Ltd.
Status: Not Stated

SPECIAL NOTE

Interview Details

Name Ms. Zheng
Department Sales Department

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.44
UK Pound	1	INR 95.65
Euro	1	INR 84.17
TWD	1	INR 2.37

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

INFORMATION DETAILS

Analysis Done by :	NIS
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)