

MIRA INFORM REPORT

Report No. :	534926
Report Date :	22.10.2018

IDENTIFICATION DETAILS

Name :	YEOU FA CHEMICAL CO., LTD.
Registered Office :	16F. No.85, Sec.1, Chung Hsiao E. Rd., Zhongzheng District, Taipei
Country :	Taiwan
Date of Incorporation :	29.11.1973
Com. Reg. No.:	04696749
Legal Form :	Joint Stock Company
Line of Business :	Manufacturing and Sales of Chemicals, etc.
No. of Employees :	About 80

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

CONTACT POINTS

Company Name: YEOU FA CHEMICAL CO., LTD.
Supplied Name: YEOU FA CHEMICALS CO LTD
Trading Address: 16F. No.85, Sec.1, Chung Hsiao E. Rd., Zhongzheng District,
Taipei, Taiwan
Supplied Address: 16 F No 85 Sec 1 Shung Hsiao E RD Taipei City ROC
Telephone Number: +886-2-2397-0988
Fax Number: +886-2-2356-0957
E-mail: yeoufa@ms46.hinet.net

Notes: The exact name and address are as above.

COMPANY IDENTIFICATION DETAILS

Registered Name: YEOU FA CHEMICAL CO., LTD.
Registered Address: 16F. No.85, Sec.1, Chung Hsiao E. Rd., Zhongzheng District,
Taipei, Taiwan
Date of Foundation: 1973-11-29
Registration Number: 04696749
Registry: Taipei City Government
Registered Capital: NTD 200,000,000 (USD 6,400,000)
(As of 2018.10, 1 NTD = 0.032 USD)
Paid-up Capital: NTD 200,000,000 (USD 6,400,000)
Legal Representatives: Yueli Xu
Legal Form: Joint Stock Company
Principal Activities: Manufacturing and sales of chemicals, etc.
Staff: About 80 Employees
Listed at Stock Exchange: No
Date of Last Annual Return: 2018-06-15

HISTORY

Subject was incorporated on 1973-11-29 with registered number 04696749 as Joint Stock Company in Taiwan.

CORPORATE STRUCTURE

Factory

Name: Hsinchu Factory
Address: No. 2, Renzheng Road, Fengshan Village, Hukou Township, Hsinchu
County, Taiwan

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Date of Foundation:	1982-12-22
Date of Registration:	1987-03-17
Factory Registration Number:	99630089
Factory Manager:	Shixin Xu
Status:	In Production
Date of Last Annual Return:	2014-05-19
Major Products:	181 Chemical Raw Materials (Upstream chemical raw materials for food additives: Yellow phosphorus)

SHAREHOLDERS

Major Shareholders Name	Subscription Shares
Yueli Xu	2,090,000
Shijie Xu	1,965,000
Shixin Xu	2,265,000
Shijin Xu	1,800,000

MANAGEMENT INFORMATION

Core Management

Directors

1	
Name	Yueli Xu
Position	Chairman Of The Board & Manager
Date of Appointment	2015-02-01
2	
Name	Shijie Xu
Position	Director
3	
Name	Shixin Xu
Position	Director
4	

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Name Shijin Xu
Position Supervisor

Personnel Structure

Total Employees About 80 Employees

OPERATION INFORMATION

Offices & Factories

Add Headquarters
16F. No.85, Sec.1, Chung Hsiao E. Rd., Zhongzheng District,
Taipei, Taiwan

Production Information

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

Purchase Information

The registered activities of subject:

Business Code	Details
C801010	Basic chemical industry
C801030	Manufacturing of precise chemical materials
C801110	Manufacturing of fertilizer
C801990	Manufacturing of other chemical materials
F107200	Wholesale of chemical materials
F113100	Wholesale of pollution prevention equipment
F207200	Retail of chemical materials
F401010	International trade business
I103060	Management consultant
ZZ99999	Besides licensed business, all other business items those are not banned or restricted.
C114010	Manufacturing of food additive
C199990	Manufacturing of unclassified other food
F121010	Wholesale of food additive
F221010	Retail of food additive
CB01010	Manufacturing of machinery equipment
CB01020	Manufacturing of transaction machine
CB01990	Manufacturing of other machinery
CC01030	Manufacturing of electrical and audio-visual products
CC01070	Manufacturing of wireless communication equipment
CC01080	Manufacturing of electronic components

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CC01110	Manufacturing of computers and their peripherals
CC01120	Data storage media manufacturing and replication business
CC01990	Manufacturing of other electrical and electronic equipment
CE01010	Manufacturing of general instrument
CE01030	Manufacturing of optical instrument
CE01990	Manufacturing of other optical and precision instruments
F106030	Wholesale of molds
F113030	Wholesale of precise instrument
F113050	Wholesale of computer and transactional equipment
F118010	Wholesale of information software
F213010	Retail of electric appliance
F213030	Retail of computer and transactional equipment
F213040	Retail of precise instrument
F213080	Retail of mechanical appliance
F218010	Retail of information software
F601010	Intellectual property business
I301010	Services of information software
I301020	Services of data processing
I301030	Services of electronic information supply
I301050	Services of reality body sense application

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

Sales Information

Subject is engaged in sale of chemicals, etc.

The major products are phosphoric acid (food grade, electronic grade, industrial grade), phosphate, products-calcium phosphate, potassium pyrophosphate (TKPP), sodium pyrophosphate (TSPP), ammonium phosphate, potassium phosphate, potassium diphosphate, over 98% food grade and so on.

Subject's sales regions are domestic market, Japan, Southeast Asia, North America and Middle East, etc.

Subject's major customers are manufacturers of chemical products.

Some customers of subject include TPP CHEMICALS, R. NANDLAL & SONS, HETAL CHEM IMPEX, etc.

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.
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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

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

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

SPECIAL NOTE

Interview Details

Name Ms. Hong
Department Sales Department

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.43
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 :	DIV
Report Prepared by :	TPT

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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)