

## MIRA INFORM REPORT

Report No. :	535644
Report Date :	26.10.2018

### IDENTIFICATION DETAILS

Name :	HONGDART AUTOMATION CO., LTD.
Formerly Known As :	HONDA AUTOMATION CO., LTD.
Registered Office :	1F., No.166, Dongcheng Rd., North District, Taichung City 404, (R.O.C.)
Country :	Taiwan
Date of Incorporation :	28.04.1986
Com. Reg. No.:	22118030
Legal Form :	Private Limited Liability Company
Line of Business :	Manufacturing and sale of machinery
No. of Employees :	30

### RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> January 2017)

MIRA's Rating :	B
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Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Status :	Moderate
Payment Behaviour :	Slow but Correct
Litigation :	Clear

#### NOTES :

Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto: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:	Hongdart Automation Co., Ltd.
Supplied Name:	HONGDART AUTOMATION CO LTD
Trading Address:	No. 28, Lane 100, Caodi Road, Xihu Li, Dali District, Taichung City, Taiwan
Supplied Address:	NO.166, DUNGCHEN ROAD, NORTH DISTRICT, TAICHUNG TAIWAN ROC
Telephone Number:	+886-4-2496-4355
Fax Number:	+886-4-2496-4428
E-mail:	<a href="mailto:hongdart@ms78.hinet.net">hongdart@ms78.hinet.net</a>

**Notes:** The exact name and address are as above. Your supplied address is subject's registered address.

## **COMPANY IDENTIFICATION DETAILS**

Registered Name:	Hongdart Automation Co., Ltd.
Registered Address:	1F., No.166, Dongcheng Rd., North District, Taichung City 404, Taiwan (R.O.C.)
Date of Foundation:	1986-04-28
Registration Number:	22118030
Registry:	Taichung City Government
Registered Capital:	NTD 5,000,000 (USD 160,000)
Legal Representatives:	Jinzhong Hong
Legal Form:	Private Limited Liability Company
Principal Activities:	Manufacturing and sale of machinery
Staff:	About 30 Employees
Listed at Stock Exchange:	No
Date of Last Annual Return:	2006-11-09

## **HISTORY**

Subject was incorporated on 1986-04-28 with registered number 22118030 as Private Limited Liability Company in Taiwan.

### **Change of Name**

Former English Name:	Honda Automation Co., Ltd.
Current English Name:	Hongdart Automation Co., Ltd.

## **CORPORATE STRUCTURE**

### **Factories**

1	
Address:	No. 166, Dongcheng Road, Jaincheng Li, North District, Taichung City, Taiwan
Date of Foundation:	1997-03-24
Date of Registration:	1997-04-11
Factory Registration Number:	99670217
Factory Manager:	Jinzhong Hong
Status:	In Production
Date of Last Annual Return:	2006-11-24
Major Products:	292 Other special machinery equipment
2	
Address:	No. 28, Lane 100, Caodi Road, Xihu Li, Dali District, Taichung City, Taiwan
Date of Registration:	2013-09-24
Factory Registration Number:	T6600370
Factory Manager:	Jinzhong Hong
Status:	In Production
Date of Last Annual Return:	2013-09-24
Major Products:	292 Other special machinery equipment

## **SHAREHOLDERS**

### Major Shareholders

(Unit: NTD)

Name	Subscription Amount
Jinzhong Hong	2,200,000

## **MANAGEMENT INFORMATION**

### Core Management

#### Directors

Name	Jinzhong Hong
Position	Director

### Personnel Structure

Total Employees	About 30 Employees
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## **OPERATION INFORMATION**

### Offices & Factories

Add Headquarters  
No. 28, Lane 100, Caodi Road, Xihu Li, Dali District, Taichung  
City, Taiwan

### Production Information

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

### Purchase Information

The registered activities of subject:

Business Code	Details
CB01010	Manufacturing of machinery equipment
CB01990	Manufacturing of other machinery
CA01050	Secondary steel processing business
F106010	Wholesale of hardware
F113010	Wholesale of machinery
F113990	Wholesale of other mechanical apparatus
F401010	International trading business
ZZ99999	Besides licensed business, all other business items those are not banned or restricted.

The components and raw materials for production are mostly purchased in Taiwan.

### Sales Information

Subject is engaged in sale of machinery, etc.

The major products are painting machine, automatic molding machine, conveyance electrostatic dust collector, clean room with positive pressure water booth manual type, coating fluid pressure tank, UV curing equipment and so on.

Subject's sales regions are domestic market, Singapore, Malaysia, etc.

The general delivery lead time of subject is about 2 months.

Subject's products are mainly used for painting of TV, camera, toy, hardware, plastic, 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.  
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.

## **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

Case Type: Chattel Mortgage  
Registered Number: 60-107-424-1(11573)

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Debtor Name: Hongdart Automation Co., Ltd.  
Registry: Directorate-General of Highways, MOTC  
Name of Mortgagee: Mercedes-Benz Financial Services Taiwan  
Date of Registration: 2018-04-03  
Amount of Secure Claims: NTD 5,780,000  
Type of Mortgage: Automobiles, large heavy duty machine vehicles and trailers

Lawsuit

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

***SPECIAL NOTE***

**Interview Details**

Name: Mr. Yang  
Department: Sales Department

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.27
UK Pound	1	INR 94.62
Euro	1	INR 83.65
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 :	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)