

MIRA INFORM REPORT

Report No. :	530990
Report Date :	27.09.2018

IDENTIFICATION DETAILS

Name :	CHAIN YARN CO., LTD.
Registered Office :	19F.-6, No.386, Shizheng Rd., Xitun Dist., Taichung City,
Country :	Taiwan
Financials (as on) :	31.12.2017
Date of Incorporation :	23.05.1988
Com. Reg. No.:	22927617
Legal Form :	Joint Stock Company
Line of Business :	Manufacturing and sale of fibers
No. of Employees :	540

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 :	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

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Taiwan	A1	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

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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: Chain Yarn Co., Ltd.
Supplied Name: CHAIN YARN CO LTD
Trading Address: 19F.-6, No.386, Shizheng Rd., Xitun Dist., Taichung City,
Taiwan
Supplied Address: 19F-6, NO 386, SHIZEHENG RD, XITUN DIST TAICHUNG
CITY, 407,
Telephone Number: +886-4-2311-1313
Fax Number: +886-4-2311-9393
E-mail: service@chainlon.com.tw
Website: www.chainlon.com.tw

Notes: The exact name and address are as above. The email-address you supplied chainyn@ms16.hinet.net is the former e-mail address of the subject.

COMPANY IDENTIFICATION DETAILS

Registered Name: Chain Yarn Co., Ltd.
Registered Address: 19F.-6, No.386, Shizheng Rd., Xitun Dist., Taichung City,
Taiwan
Date of Foundation: 1988-05-23
Registration Number: 22927617
Registry: Department of Commerce, Ministry of Economic Affairs,
R.O.C.
Registered Capital: NTD 1,800,000,000 (USD 58,320,000)
Paid-up Capital: NTD 1,537,279,020 (USD 49,807,840.25)
Legal Representatives: Chengyu Huang
Legal Form: Joint Stock Company
Principal Activities: Manufacturing and sale of fibers
Staff: About 540 employees (Taiwan)
Listed at Stock Exchange: No
Date of Last Annual Return: 2018-08-09

HISTORY

Subject was incorporated on 1988-05-23 with registered number 22927617 as Joint Stock Company in Taiwan.

Subject listed on Taiwan OTC Stock Market on 2010-11-22.

CORPORATE STRUCTURE

Factories:

- 1
Name: Douliu Silk Factory
Address: No. 156-1, Dougong 10th Rd., Liunan Li, Douliu City, Yunlin County, Taiwan
Date of Registration: 2012-01-16
Factory Registration Number: 09000157
Factory Manager: Yanxiao Chen
Status: In Production
Date of Last Annual Return: 2018-03-12
Major Products: 185 synthetic fiber
- 2
Name: Zhushan Factory
Address: No. 20, Yanping 3rd Rd., No. 19, Yanping 2nd Rd., Yanping Li, Zhushan Township, Nantou County, Taiwan
Date of Foundation: 1988-06-17
Date of Registration: 1989-09-07
Factory Registration Number: 99652320
Factory Manager: Juncheng Wu
Status: In Production
Date of Last Annual Return: 2014-04-21
Major Products: 185 synthetic fiber
- 3
Name: Zhushan The 2nd Factory
Address: No. 23, Yanping Rd., Yanping Li, Zhushan Township, Nantou County, Taiwan
Date of Foundation: 1997-09-11
Factory Registration Number: 99652321
Factory Manager: Juncheng Wu
Status: In Production
Date of Last Annual Return: 2004-06-17
Major Products: 292 other specialized machinery equipment
- 4
Name: Douliu Factory
Address: No. 156, Dougong 10th Rd., Liunan Li, Douliu City, Yunlin County, Taiwan
Date of Registration: 1999-11-15
Factory Registration Number: 99653285
Factory Manager: Yongshan Chen
Status: In Production
Date of Last Annual Return: 2014-10-09
Major Products: 111 spinning
185 synthetic fiber
184 plastics and raw materials for synthetic rubber

Related Company:

Name: Chain Yarn Trade (Hangzhou) Company Limited (Literal)

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Address: Translation)
Room 906, Lv Du World Trade Plaza Office Building, No. 819,
Shi Xin Zhong Road, Xiao Shan District, Hangzhou, China
Telephone Number: +86-571-2282-0168
Fax Number: +86-571-2282-0167

SHAREHOLDERS

Major Shareholders

Name	Subscription Shares
Chengyu Huang	19,958,130
Renkai Yang	3,681,485
Zongming Lu	2,523,640
Lisheng Li	617,589
Mengxuan Wu	13,418
Jinkun Cai	1,052,675
Wanzong Lin	22,000

MANAGEMENT INFORMATION

Core Management

1	Name	Chengyu Huang
	Position	Chairman of the Board
2	Name	Renkai Yang
	Position	Director
3	Name	Zongming Lu
	Position	Director
4	Name	Lisheng Li
	Position	Director
5	Name	Yanhong Jiang
	Position	Director
6	Name	Dingyu Zhan
	Position	Independent Director
7	Name	Mengxuan Wu
	Position	Independent Director

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8
Name Jinkun Cai
Position Supervisor
9
Name Ximing Xiao
Position Supervisor
10
Name Wanzong Lin
Position Supervisor

Personnel Structure

Total Employees About 540 employees (Taiwan)

OPERATION INFORMATION

Offices & Factories

Add Headquarters
19F.-6, No.386, Shizheng Rd., Xitun Dist., Taichung City, Taiwan

Production Information

Subject is engaged in manufacturing of fibers, etc.
Subject has factories in Yunlin and Nantou County, Taiwan for production.
Subject obtained the certifications of ISO14001, ISO9001 and OHSAS18001.

Purchase Information

The registered activities of subject:

Business Code	Details
C301010	The spinning industry
C399990	Manufacturing of other textiles and products
C801100	Manufacturing of synthetic rubber and plastics
C801120	Manufacturing of synthetic fiber
F401010	International trade
ZZ99999	Besides licensed business, all other business items those are not banned or restricted.

The raw materials for production are mostly purchased in Taiwan.

Sales Information

Subject is engaged in sale of fibers, etc.
The major products are nylon 6 chip, nylon 6 yarn, nylon 66 yarn, nylon 6/66 ATY, nylon engineering plastics, circular knitting fabric and so on.
Subject's sales regions include Taiwan, Vietnam, the U.S., Canada, etc.
It is introduced that the subject has its own brands like "Sup-Lite", "Dura-Fila", "Greenlon" and "Fun-Max", etc.
It is introduced that the subject can provide customized products.
Subject's products are applied to the use of daily life, outdoor activities, industrial and national defense, etc.
Some major customers of the subject are Leggett & Platt Inc., Kmart Corp., Odin Fashion Corporation, Jo-Ann Stores, Inc., Northshore Yarns Inc.

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

The subject has little import.

Sales

Domestic Markets

Product Fibers, etc.
Selling Terms T/T, Cash, etc.

Export

Product Fibers, etc.
Selling Terms L/C, T/T, etc.

FINANCIALS

Balance Sheet

Unit: NTD/000

Consolidated	2017-12-31	2016-12-31
Assets		

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Current assets		
Cash and cash equivalents		
Total cash and cash equivalents	298,217	191,075
Notes receivable, net		
Notes receivable, net	76,341	91,167
Accounts receivable, net		
Accounts receivable, net	624,246	564,064
Other receivables		
Other receivables, net	169,198	157,147
Inventories		
Total inventories	1,163,701	1,009,378
Prepayments		
Total prepayments	243,214	213,756
Other current assets		
Total other current assets	202	15
Total current assets	2,575,119	2,226,602
Non-current assets		
Property, plant and equipment		
Total property, plant and equipment	4,201,585	4,131,823
Intangible assets		
Total intangible assets	11,472	10,929
Deferred tax assets		
Deferred tax assets	51,969	65,791
Other non-current assets		
Total other non-current assets	215,233	250,330
Total non-current assets	4,480,259	4,458,873
Total assets	7,055,378	6,685,475
Liabilities and equity		
Liabilities		
Current liabilities		
Short-term borrowings		
Total short-term borrowings	1,271,543	1,393,032
Short-term notes and bills payable		
Total short-term notes and bills payable	194,933	94,977
Notes payable		
Total notes payable	3,382	3,063
Accounts payable		
Total accounts payable	490,592	481,542
Other payables		
Total other payables	236,926	223,603
Other current liabilities		
Long-term liabilities, current portion		
Total long-term liabilities, current portion	158,033	514,803
Other current liabilities, others		
Total other current liabilities	24,313	30,759
Total other current liabilities	182,346	545,562
Total current liabilities	2,379,722	2,741,779
Non-current liabilities		
Long-term borrowings		
Total long-term borrowings	2,824,452	2,175,429
Deferred tax liabilities		

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Total deferred tax liabilities	26,096	26,015
Other non-current liabilities		
Total other non-current liabilities	17,376	12,403
Total non-current liabilities	2,867,924	2,213,847
Total liabilities	5,247,646	4,955,626
Equity		
Equity attributable to owners of parent		
Share capital		
Ordinary share	1,537,279	1,537,279
Total capital stock	1,537,279	1,537,279
Capital surplus		
Total capital surplus	94,510	94,510
Retained earnings		
Legal reserve	115,155	115,155
Unappropriated retained earnings (accumulated deficit)		
Total unappropriated retained earnings (accumulated deficit)	90,706	-11,968
Total retained earnings	205,861	103,187
Other equity interest		
Total other equity interest	-29,918	-5,127
Total equity attributable to owners of parent	1,807,732	1,729,849
Equity attributable to former owner of business combination under common control	0	0
Non-controlling interests	0	0
Total equity	1,807,732	1,729,849
Total liabilities and equity	7,055,378	6,685,475
Equivalent issue shares of advance receipts for ordinary share	0	0
Number of shares in entity held by entity and by its subsidiaries	0	0

Unit: NTD/000	
Consolidated	2018-06-30
Assets	
Current assets	
Cash and cash equivalents	213,034
Current financial assets at amortised cost	137,346
Notes receivable, net	91,714
Accounts receivable, net	781,890
Other receivables	54,977
Current inventories	1,256,689
Prepayments	257,471
Other current assets	44
Total current assets	2,793,165

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Non-current assets	
Property, plant and equipment	4,439,588
Intangible assets	10,193
Deferred tax assets	65,799
Other non-current assets	197,817
Total non-current assets	4,713,397
Total assets	7,506,562
Liabilities and equity	
Liabilities	
Current liabilities	
Current borrowings	1,224,028
Short-term notes and bills payable	169,844
Current contract liabilities	40,010
Notes payable	2,743
Accounts payable	515,051
Other payables	333,796
Current tax liabilities	99
Other current liabilities	293,219
Long-term liabilities, current portion	290,730
Other current liabilities, others	2,489
Total current liabilities	2,578,790
Non-current liabilities	
Non-current portion of non-current borrowings	3,085,351
Deferred tax liabilities	27,684
Other non-current liabilities	14,983
Net defined benefit liability, non-current	14,983
Total non-current liabilities	3,128,018
Total liabilities	5,706,808
Equity	
Equity attributable to owners of parent	
Share capital	
Ordinary share	1,537,279
Total capital stock	1,537,279
Capital surplus	
Total capital surplus	94,510
Retained earnings	
Legal reserve	124,226
Special reserve	29,918
Unappropriated retained earnings (accumulated deficit)	95,260
Total retained earnings	249,404
Other equity interest	
Total other equity interest	-81,439
Total equity attributable to owners of parent	1,799,754
Total equity	1,799,754
Total liabilities and equity	7,506,562
Equivalent issue shares of advance	0

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receipts for ordinary share
Number of shares in entity held by entity 0
and by its subsidiaries

Profit and Loss Account

Unit: NTD/000

Consolidated	2017	2016
Operating revenue		
Total operating revenue	6,586,282	5,892,975
Operating costs		
Total operating costs	6,117,899	5,530,506
Gross profit (loss) from operations	468,383	362,469
Gross profit (loss) from operations	468,383	362,469
Operating expenses		
Selling expenses		
Total selling expenses	132,654	126,571
Administrative expenses		
Total administrative expenses	85,179	60,330
Research and development expenses		
Total research and development expenses	39,640	35,497
Total operating expenses	257,473	222,398
Net operating income (loss)	210,910	140,071
Non-operating income and expenses		
Other income		
Total other income	31,384	19,951
Other gains and losses		
Other gains and losses, net	-23,316	-15,625
Finance costs		
Finance costs, net	88,569	88,701
Total non-operating income and expenses	-80,501	-84,375
Profit (loss) from continuing operations before tax	130,409	55,696
Tax expense (income)		
Total tax expense (income)	20,468	8,463
Profit (loss) from continuing operations	109,941	47,233
Profit (loss)	109,941	47,233
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss		
Gains (losses) on remeasurements of defined benefit plans	-8,755	-1,568
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-1,488	-267
Components of other comprehensive	-7,267	-1,301

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income that will not be reclassified to profit or loss		
Components of other comprehensive income that will be reclassified to profit or loss		
Exchange differences on translation	-29,868	-7,433
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-5,077	-1,354
Components of other comprehensive income that will be reclassified to profit or loss	-24,791	-6,079
Other comprehensive income, net	-32,058	-7,380
Total comprehensive income	77,883	39,853
Profit (loss), attributable to:		
Profit (loss), attributable to owners of parent	109,941	47,233
Profit (loss), attributable to non-controlling interests	0	0
Comprehensive income attributable to:		
Comprehensive income, attributable to owners of parent	77,883	39,853
Comprehensive income, attributable to non-controlling interests	0	0
Basic earnings per share		
Basic earnings (loss) per share from continuing operations	0	0
Total basic earnings per share	0.72	0.31
Diluted earnings per share		
Total diluted earnings per share	0.72	0.31

Unit: NTD/000

Consolidated 2018-01-01~2018-06-30

Total operating revenue	3,876,052
Operating costs	
Total operating costs	3,614,310
Gross profit (loss) from operations	261,742
Gross profit (loss) from operations	261,742
Operating expenses	
Selling expenses	71,057
Administrative expenses	52,116
Research and development expenses	20,514

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Total operating expenses	143,687
Net operating income (loss)	118,055
Non-operating income and expenses	
Other income	
Total other income	7,131
Other gains and losses	
Other gains and losses, net	21,236
Finance costs	
Finance costs, net	50,061
Total non-operating income and expenses	-21,694
Profit (loss) from continuing operations before tax	96,361
Tax expense (income)	
Total tax expense (income)	1,838
Profit (loss) from continuing operations	94,523
Profit (loss)	94,523
Other comprehensive income	
Components of other comprehensive income that will not be reclassified to profit or loss	
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	250
Components of other comprehensive income that will not be reclassified to profit or loss	-250
Components of other comprehensive income that will be reclassified to profit or loss	

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Exchange differences on translation	-65,753
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-14,232
Components of other comprehensive income that will be reclassified to profit or loss	-51,521
Total other comprehensive income	-51,771
Total comprehensive income	42,752
Profit (loss), attributable to:	3,876,052
Profit (loss), attributable to owners of parent	94,523
Comprehensive income attributable to:	3,614,310
Comprehensive income, attributable to owners of parent	42,752
Gross profit (loss) from operations	261,742
Basic earnings per share	
Total basic earnings per share	0.61
Diluted earnings per share	
Total diluted earnings per share	0.61

Cash Flows

Unit: NTD/000

Consolidated	2017	2016
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	130,409	55,696
Profit (loss) from discontinued operations before tax	0	0
Profit (loss) before tax	130,409	55,696
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	372,160	376,352
Amortization expense	24,548	23,508

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Interest expense	88,569	88,701
Interest income	-698	-565
Loss (gain) on disposal of property, plant and equipment	2,720	-15
Loss (gain) on disposal of investments	0	706
Total adjustments to reconcile profit (loss)	487,299	488,687
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in notes receivable	14,826	2,940
Decrease (increase) in accounts receivable	-60,182	-150,454
Decrease (increase) in other receivable	-12,051	38,852
Decrease (increase) in inventories	-154,323	150,198
Decrease (increase) in prepayments	-23,101	-87,174
Decrease (increase) in other current assets	-187	7,860
Total changes in operating assets	-235,018	-37,778
Changes in operating liabilities		
Increase (decrease) in notes payable	319	-100
Increase (decrease) in accounts payable	9,050	359,386
Increase (decrease) in other payable	14,783	34,518
Increase (decrease) in other current liabilities	-6,446	297
Increase (decrease) in net defined benefit liability	-3,782	-3,595
Total changes in operating liabilities	13,924	390,506
Total changes in operating assets and liabilities	-221,094	352,728
Total adjustments	266,205	841,415
Cash inflow (outflow) generated from operations	396,614	897,111
Cash flows from (used in) operating activities, direct method		
Interest received	698	565
Income taxes refund (paid)	0	-113
Net cash flows from (used in) operating activities	397,312	897,563
Cash flows from (used in) investing activities		
Proceeds from disposal of subsidiaries	0	4,273
Acquisition of property, plant and equipment	-453,971	-272,812
Proceeds from disposal of property, plant and equipment	0	15
Increase in other non-current assets	-9,064	-243,391
Other investing activities	-2,294	-2,364

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Net cash flows from (used in) investing activities	-465,329	-514,279
Cash flows from (used in) financing activities		
Decrease in short-term loans	-121,489	-469,367
Increase in short-term notes and bills payable	99,956	11
Proceeds from long-term debt	292,253	110,105
Interest paid	-89,082	-85,802
Net cash flows from (used in) financing activities	181,638	-445,053
Effect of exchange rate changes on cash and cash equivalents	-6,479	-7,433
Net increase (decrease) in cash and cash equivalents	107,142	-69,202
Cash and cash equivalents at beginning of period	191,075	260,277
Cash and cash equivalents at end of period	298,217	191,075
Cash and cash equivalents reported in the statement of financial position	298,217	191,075

Unit: NTD/000

Consolidated 2018-01-01~2018-06-30

Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	96,361	
Profit (loss) before tax	96,361	
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	175,051	
Amortization expense	8,365	
Interest expense	49,682	
Interest income	-1,788	
Loss (gain) on disposal of property, plan and equipment	-19,179	
Other adjustments to reconcile profit (loss)	379	
Total adjustments to reconcile profit (loss)	212,510	
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in notes receivable	-15,373	
Decrease (increase) in accounts receivable	-157,644	
Decrease (increase) in other receivable	-23,125	
Adjustments for decrease (increase) in inventories	-92,988	
Decrease (increase) in prepayments	-14,257	
Adjustments for decrease (increase) in other current assets	158	
Total changes in operating assets	-303,229	
Changes in operating liabilities		

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Increase (decrease) in contract liabilities	40,010
Increase (decrease) in notes payable	-639
Increase (decrease) in accounts payable	24,459
Increase (decrease) in other payable	857
Adjustments for increase (decrease) in other current liabilities	-21,824
Increase (decrease) in net defined benefit liability	-2,393
Total changes in operating liabilities	40,470
Total changes in operating assets and liabilities	-262,759
Total adjustments	-50,249
Cash inflow (outflow) generated from operations	46,112
Interest received	1,788
Net cash flows from (used in) operating activities	47,900
Cash flows from (used in) investing activities	
Acquisition of property, plant and equipment	-413,725
Proceeds from disposal of property, plant and equipment	43,244
Increase in other non-current assets	-8,197
Decrease in other non-current assets	0
Net cash flows from (used in) investing activities	-378,678
Cash flows from (used in) financing activities	
Increase in short-term loans	3,494,503
Decrease in short-term loans	-3,542,018
Increase in short-term notes and bills payable	0
Decrease in short-term notes and bills payable	-25,089
Proceeds from long-term debt	3,308,945
Repayments of long-term debt	-2,915,349
Interest paid	-49,936
Net cash flows from (used in) financing activities	271,056
Effect of exchange rate changes on cash and cash equivalents	-25,461
Net increase (decrease) in cash and cash equivalents	-85,183
Cash and cash equivalents at beginning of period	298,217
Cash and cash equivalents at end of period	213,034
Cash and cash equivalents reported in the statement of financial position	213,034

Note: Subject didn't submit its individual financial information; we obtained its consolidated financials as above for reference.

The above financial figures are based on the IFRSs Accounting System.

BANKERS

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

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PUBLIC RECORD

Mortgage

1
Case Type: Chattel Mortgage
Registered Number: 114661
Debtor Name: Chain Yarn Co., Ltd.
Registry: MOEA Central Office
Name of Mortgagee: Cooperative Commercial Bank Co., Ltd. West Taichung Branch
Date of Registration: 2017-05-09
Amount of Secure Claims: NTD 1,679,104,000
Type of Mortgage: Machinery equipment or tools

2
Case Type: Chattel Mortgage
Registered Number: 112732
Debtor Name: Chain Yarn Co., Ltd.
Registry: MOEA Central Office
Name of Mortgagee: Taiwan Business Bank Co., Ltd. Taichung Branch
Date of Registration: 2016-02-17
Amount of Secure Claims: NTD 1,021,000,000
Type of Mortgage: Machinery equipment or tools

Lawsuits

1
Trial Number: 2005, zhongsu, 10
Date of Trial: 2005-11-07
Reason: Payment
Claimant: Not Stated
Defendant: Chain Yarn Co., Ltd.

2
Trial Number: 2005, zhongbu, 28
Date of Trial: 2005-01-05
Reason: Payment
Claimant: Not Stated
Defendant: Chain Yarn Co., Ltd.

SPECIAL NOTE

Interview Details

Name: Ms. Huang
Department: Sales Department
E-mail: chloehuang@chainlon.com.tw

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupee
US Dollar	1	INR 72.72
UK Pound	1	INR 95.77
Euro	1	INR 85.54
TWD	1	INR 2.38

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

INFORMATION DETAILS

Analysis Done by :	PRI
Report Prepared by :	KET

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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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