

MIRA INFORM REPORT

Report No. :	531353
Report Date :	29.09.2018

IDENTIFICATION DETAILS

Name :	FAIR FRIEND ENTERPRISE CO., LTD.
Registered Office :	No.186, Yongji Rd., Sinyi District, Taipei City 110, Taiwan (R.O.C.)
Country :	Taiwan
Date of Incorporation :	15.03.1979
Com. Reg. No.:	30878408
Legal Form :	Joint Stock Company
Line of Business :	Manufacturing and Sales of Machines, etc.
No. of Employees :	About 300

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 (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

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: FAIR FRIEND ENTERPRISE CO., LTD.
Supplied Name: FAIR FRIEND ENTERPRISE CO LTD
Trading Address: No.186, Yongji Rd., Sinyi District, Taipei City 110, Taiwan
(R.O.C.)
Supplied Address: NO 186 YONG CHI ROAD TAIPEI TAIWAN, TAICHUNG
CITY, NSNTUN DIST
Telephone Number: +886-2-27639696
Fax Number: +886-2-27680639

Notes: The exact name and address are as above.

COMPANY IDENTIFICATION DETAILS

Registered Name: FAIR FRIEND ENTERPRISE CO., LTD.
Registered Address: No.186, Yongji Rd., Sinyi District, Taipei City 110, Taiwan
(R.O.C.)
Date of Foundation: 1979-03-15
Registration Number: 30878408
Registry: Department of Commerce, Ministry of Economic Affairs,
R.O.C.
Registered Capital: NTD 1,619,972,970 (USD 53,459,108)
(As of 2018.9, 1 NTD = 0.033 USD)
Paid-up Capital: NTD 1,024,291,740 (USD 33,801,627)
Legal Representatives: Yuwei Zhu
Legal Form: Joint Stock Company
Principal Activities: Manufacturing and sales of machines, etc.
Staff: About 300 Employees
Listed at Stock Exchange: No
Date of Last Annual Return: 2016-07-25

HISTORY

Subject was incorporated on 1979-03-15 with registered number 30878408 as Joint Stock Company in Taiwan.

CORPORATE STRUCTURE

Factories

1

Name: Ri Nan Factory

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Address: 1/F, No.33, Youshi Road, Rinan Li, Dajia Dist., Taichung City, Taiwan
Date of Registration: 2014-07-25
Factory Registration Number: 66002902
Factory Manager: Yuwei Zhu
Status: In production
Date of Last Annual Return: 2014-07-25
Major Products: 259 Other metal products
293 General machinery equipment

2

Name: Precision Factory
Address: No. 12 Jingke Road, Wenshan Li, Nantun Dist., Taichung City, Taiwan
Date of Registration: 2014-12-12
Factory Registration Number: 66003299
Factory Manager: Yuwei Zhu
Status: In Production
Date of Last Annual Return: 2014-12-12
Major Products: 251 Metal hand tool and mold
291 Metal processing machinery equipment
292 Other specialized machinery equipment
293 General machinery equipment

Branch

Name Taichung Branch
Registration Number 97177643
Date of Registration 1997-03-15
Status Live
Date of Last Annual Return 2017-04-28

Related Companies

1

Name J&T Flex Technology
Address: 33370 No.34 Xingbang Rd.Guishan Industrial Area Taoyuan District,
Taiwan
Tel: +886-3-262-1888

2

Name Waida-Feeler Precision Machinery Co., Ltd.
Address: 40755 Industrial Road, Taichung, Taiwan 133
Tel: +886-4-2359-5687

3

Name Feeler Hardware Industrial Corporation
Address: No.52-5 Hu-Kun Lane , Xin-Kuang Village, Min-Jian Township , Nan-Tou
County, Po.55151, Taiwan.
Tel: +886-49-273-0101

4

Name Takamaz Feeler Machinery Co., Ltd.
Address: 311215 No.120 Shixin North Rd. Xiaoshan Economy & Technology
Development Areas.Hangzhou.P.R.C.
Tel: +86-571-8283-1393

5

Name Hangzhou Ever Friend Precision Machinery Co., Ltd.
Address: No.431, the 14th Street, Xiasha Economy & Technology Development
Areas, Hangzhou, China
Tel: +86-571-5603-0011

Note: There are many related companies on public files and we list the above information for reference.

SHAREHOLDERS

Major Shareholders

Name	Subscription Shares
Yuwei Zhu	4,873,079
Ziti Wang	2,733,926
Xunv Zhu	980,028
Fairskq (Taiwan) Co., Ltd.	168,531
Lisheng Li	588,372

Shareholder Information:

Registered Name: Fairskq (Taiwan) Co., Ltd.
Registered Address: No.186, Yongji Rd., Sinyi District, Taipei City 110,
Taiwan (R.O.C.)
Date of Foundation: 1988-11-09
Registration Number: 23167311
Registry: Taipei City Government
Registered Capital: NTD 175,950,000
Paid-up Capital: NTD 175,950,000
Legal Representatives: Yuwei Zhu
Legal Form: Joint Stock Company
Date of Last Annual Return: 2018-08-08

MANAGEMENT INFORMATION

Core Management

Directors

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1

Name Yuwei Zhu
Position Board Chairman & Manager
Date of Appointment for 2006-01-10
Manager

2

Name Ziti Wang
Position Director

3

Name Xunv Zhu
Position Director

4

Name Fairskq (Taiwan) Co., Ltd.
Position Director

5

Name Lisheng Li
Position Supervisor

Personnel Structure

Total Employees About 300 Employees

OPERATION INFORMATION

Offices & Factories

Add Headquarters
No.186, Yongji Rd., Sinyi District, Taipei City 110, Taiwan
(R.O.C.)

Production Information

Subject is engaged in manufacturing of machines, etc.
Subject has 2 factories in Taiwan for production.
Subject obtained the certification of ISO14001 and ISO9001:2000, etc.

Purchase Information

The registered activities of subject:

Business Code	Details
CB01010	Machinery equipment manufacturing
CB01990	Other machinery manufacturing
E603050	Automatic control equipment engineering
E604010	Machinery installation
F113010	Machinery wholesale
F213080	Machinery instrument retail
F113990	Other machinery instrument wholesale
F213990	Other machinery instrument retail
CA02010	Metal structure and building parts manufacturing
CA02050	Valve manufacturing
CA02060	Metal container manufacturing
CA02990	Other metal products manufacturing
F106010	Hardware wholesale
F206010	Hardware retail
CC01010	Power generation, transmission and distribution machinery manufacturing
CP01010	Hand tool manufacturing
CC01080	Electronic components manufacturing
CC01090	Battery manufacturing
E601020	Electrical appliance installation
F113020	Electrical appliance wholesale
F213010	Electrical appliance retail
F119010	Electronic materials wholesale
F219010	Electronic materials retail
F113110	Battery wholesale
F213110	Battery retail
CE0101	General instrument manufacturing
F113030	Precision instrument wholesale
F213040	Precision instrument retail
CC01110	Computer and peripheral equipment manufacturing
E605010	Computer equipment installation
F114010	Automobile wholesale
F214010	Automobile retail
F114990	Wholesale trade in other means of transport and their parts
E603040	Fire safety equipment installation engineering
F107200	Chemical raw materials wholesale
F207200	Chemical raw materials retail
F401010	International trade
H701050	Investing in public works
H701060	New town, new community development industry
G202010	Parking lots operation
E603020	Elevator installation engineering
ZZ99999	Besides licensed business, all other business items those are not banned or restricted.

The components and raw material for production are purchased both home and abroad.

Sales Information

Subject is engaged in sales of machines, etc.
The major products are construction machines, navy and CNC machines, etc.
The products are mainly applied to construction industry, etc.
Subject's sales regions include domestic market and abroad.
Subject's major customers are building contractors, etc.

Import and export right:

Import right	Yes
Export right	Yes

SETTLEMENTS

Purchase

Domestic Purchase

Products	Raw materials and components, etc.
Payment Terms	T/T, Cash, etc.

Import

Products	Raw materials and components, etc.
Payment Terms	L/C, T/T, etc.

Sales

Domestic Markets

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

Export

Product	Machines, 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.

BANKER

Name Hua Nan Commercial Bank Limited

PUBLIC RECORD

Mortgage

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

Lawsuit

Trial Number: 2009, Beijian, 8659
Date of Trial: 2009-06-08
Reason: Payment for notes
Claimant: Fair Friend Enterprise Co., Ltd.
Defendant: Dingsheng Construction Co., Ltd.
(former name: Chaosheng Construction Co., Ltd.) (Literal translation)

SPECIAL NOTE

Interview Details

Name Mr. Fang
Department Sales Department
E-mail shida.fang@msa.hinet.net

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.55
UK Pound	1	INR 94.90
Euro	1	INR 84.44
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 :	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)