DOSSIER FIDELITAS

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ALI CORPORTATION

Report requested by DIRECTV ARGENTINA S.A.

China

August 2021

This information is confidential and for the exclusive use of the person requesting it. Its purpose is merely for guidance in credit decisions. It does not imply a value judgment or solvency of those informed. The evaluation and the decisions that the client makes are not linked to Fidelitas in any way.

Executive Overview

ALI CORPORTATION develops Set-Top Box (STB) chipsets and iWedia, provides software solutions for TV devices to service operators and Consumer Electronics manufacturers. The company was established in 1993 with headquarters in Taipei, Taiwan. Its R&D centers and sales offices are located in Hsinchu, Shenzhen, Zhuhai, Geneva, Seoul and India Noida, and it has technical support teams throughout Asia. It is a company with PUBLIC PARTICIPATION LISTED VIA THE STOCK EXCHANGE (99.53%). It operates under the following Quality Certificates: Soc. Certified Features–Summa, Conax Chipset Verification, Type Approval of ALI M3538, Certification Letter of verima and Chip Security Certification. The company declares to have 415 employees and 8 subcontracted. It does not register bounced checks, banking delays, lawsuits, compliance issues or adverse media. According to external sources this company sells 90% of its products to the international market. From the accounting point of view, the Company showed in the year-end 2020, a deficient economic performance, with an interannual reduction of 3% of sales and an inefficient cost reduction, presenting, for the third consecutive year, a highly deficient Final result: -11.6% of Sales vs. -15.7% on sales in 2019 and -31.6% on sales in 2018. Financially, it exhibited satisfactory levels of current liquidity (3.09) and working capital (NT$1.440 millions). The net worth situation was adequate, with a good conformation of the net worth, high solvency (4.39) and a low indebtedness (0.22). Although there are no impediments to operate normally, we recommend to operate with caution since the company presented final losses for the third consecutive period.

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Company Data/Details/ Information

COMPANY PROFILE

Company Name	ALI CORPORTATION
Legal Form	ALI CORPORTATION
Name History	ACER LABORATORIES INC (10 Jun, 1993) ALI CORP (May, 2002)
Company Registration Number	84149054
Activity	Electronic Products & Components
Company Registration Date	10 Jun, 1993
Registred Legal Address	6FI, 1 Chin Shan 8th St, Hsinchu City 300
Country	Taiwan
Telephone	(+886) 287522000 – (+886) 28511001
Website	www.alitech.com/ www.ali.com.tw
Employees	415 (Source: Company)
Legal Form – Category	Public Listed Company
Issuing Authority	MINISTRY OF ECONOMIC AFFAIRS (MOEA)
Capital	US$ 115 421 609

Source: External



Source: External

HISTORICAL OVERVIEW

ALi Corporation is a leading innovator and developer in the set-top box (STB) system-on-chip (SoC) market. By fully leveraging its core expertise in the set-top box industry, ALi Corp.'s solutions are recognized for their high levels of integration, superior performance reliability, premier customer-oriented service and compelling cost structure. Hundreds of Pay TV operators have adopted ALi Corp.'s solutions worldwide. ALi Corp. was founded in 1993 with headquarters in Taipei, Taiwan, R&D centers as well as sales offices in Hsinchu, Shenzhen, Zhuhai, Geneva, Seoul, and India Noida, and technical support teams throughout Asia.





MISSION, VISION AND HUMAN VALUES

Undisclosed Information

ASSETS

properties / vehicles

- ✓ The Company owns the real estate located on the 4th to 6th floors of No. 246, Section 1, Neihu Road, Neihu District, Taipei City. No vehicles

Source: Company

OFFICIAL PUBLICATIONS

Undisclosed Information

OTHER PUBLICATIONS

We're Not Very Worried About ALi's (TPE:3041) Cash Burn Rate
Source: simplywall Date: 18/04/2021

Just because a business does not make any money, does not mean that the stock will go down. For example, **ALi** (TPE: 3041) shareholders have done very well over the last year, with the share price soaring by 112%. But the harsh reality is that very many loss-making companies burn through all their cash and go bankrupt.
So notwithstanding the buoyant share price, we think its well worth asking whether ALi's cash burn is too risky. In this article, we define cash burn as its annual (negative) free cash flow, which is the amount of money a company spends each year to fund its growth. First, we'll determine its cash runway by comparing its cash burn with its cash reserves.
Does ALi Have A Long Cash Runway?
A company's cash runway is calculated by dividing its cash hoard by its cash burn. As at December 2020, ALi had cash of NT$1.4b and no debt. In the last year, its cash burn was NT$407m. Therefore, from December 2020 it had 3.5 years of cash runway. A runway of this length affords the company the time and space it needs to develop the business. Depicted below, you can see how its cash holdings have changed over time.
How Well Is ALi Growing?
On balance, we think it's mildly positive that ALi trimmed its cash burn by 10% over the last twelve months. And operating revenue was up by 3.0% too. In light of the data above, we're fairly sanguine about the business growth trajectory. In reality, this article only makes a short study of the company's growth data. You can take a look at how ALi has developed its business over time by checking this visualization of its revenue and earnings history.
Can ALi Raise More Cash Easily?
There's no doubt ALi seems to be in a fairly good position, when it comes to managing its cash burn, but even if it's only hypothetical, it's always worth asking how easily it could raise more money to fund growth. Issuing new shares, or taking on debt, are the most common ways for a listed company to raise more money for its business. One of the main advantages held by publicly listed companies is that they can sell shares to investors to raise cash and fund growth. By comparing a company's annual cash burn to its total market capitalisation, we can estimate roughly how many shares it would have to issue in order to run the company for another year (at the same burn rate).
ALi has a market capitalisation of NT$5.7b and burnt through NT$407m last year, which is 7.1% of the company's market value. Given that is a rather small percentage, it would probably be really easy for the company to fund another year's growth by issuing some new shares to investors, or even by taking out a loan.
Is ALi's Cash Burn A Worry?
As you can probably tell by now, we're not too worried about ALi's cash burn. For example, we think its cash runway suggests that the company is on a good path. Its weak point is its revenue growth, but even that wasn't too bad! Considering all the factors discussed in this article, we're not overly concerned about the company's cash burn, although we do think shareholders should keep an eye on how it develops. An in-depth examination of risks revealed 1 warning sign for ALi that readers should think about before committing capital to this stock.
If you would prefer to check out another company with better fundamentals, then do not miss this free list of interesting companies that have HIGH return on equity and low debt or this list of stocks which are all forecast to grow.
Promoted
If you decide to trade ALi, use the lowest-cost* platform that is rated #1 Overall by Barron's, Interactive Brokers. Trade stocks, options, futures, forex, bonds and funds on 135 markets, all from a single integrated account.

ALi Corporation to Showcase Latest Digital Entertainment Innovations at IBC 2019
Source: eetasia Date: 10/09/2019

ALi Corporation, a leading Set-Top Box (STB) chipset provider, proudly announced that the company will showcase a wide spectrum of digital entertainment innovations in the upcoming IBC 2019, from September 13th to 17th, at balcony suite BS 20 (Hall 1, 2F), RAI Amsterdam, as the stage to present ALi's latest achievements.
At IBC 2019, ALi will demonstrate the latest innovations including HEVC S2 solution targeted for major operators in Europe and SAARC regions, next-generation fully-featured T2/T/ISDBT SoC, and highly cost-effective chipsets already deployed by a leading browser company to run high-level applications. On the other hand, to meet the trends of Smart Home, ALi will also present our recent smart home innovation, such as Smart alarm.
"ALi has a long-established reputation in PayTV SoC design", said "Sophia Liang, CEO of ALi Corporation. "This time at IBC 2019,

we are determined to demonstrate our latest innovations in digital entertainments and I am confident that our SoC will offer the high-performance with cost-effectiveness for operators worldwide to gain more market shares. In fact, we will also introduce our Smart Home solutions this time at IBC to meet the home IoT demands. Our continued innovations are evident and ALi is dedicated in forming the value chain with our customers".
For further information of ALi latest innovations, please visit ALi Suite at IBC 2019 from September 13th to 17th. Our booth is located at balcony suite BS 20 (Hall 1, 2F), RAI Amsterdam.

ALi and iWedia Announce Common Offering
Source: eetasia Date: 05/07/2018

Taipei, Taiwan and Lausanne, Switzerland – June 26th, 2018 – ALi Corporation, a leading innovator and developer of Set-Top Box (STB) chipsets and iWedia, a leading provider of software solutions for TV devices to service operators and Consumer Electronics manufacturers, today announced that they have joined forces to provide a common offering for hybrid DVB+OTT STB.
The offer is made of iWedia's Teatro-3.0 software solution for Linux-based hybrid STB ported on ALi's M3527 and M3727 STB chipsets.
The announcement was made to coincide with the opening of CommunicAsia / BroadcastAsia 2018, which is held in Singapore from Tuesday, June 26th through to Thursday, June 28th. Both ALi and iWedia exhibit at the show where the integrated solution will be demonstrated.
ALi's M3527 (resp. M3727) is a cost-effective HD HEVC DVB-S2 (resp. DVB-C) SoC with advanced security. It supports high performance RISC CPU, 2D vector graphic engine, DDR3, Ethernet, HDMI, USB and HD multi-format video decoder. Its advanced security engine has got the latest certifications of major CAS vendors. Whatever the chipset and the OS, the SDK exposes the same APIs (called AUI – ALi Unified Interface) which accelerates the porting of third-parties software solutions.
ALi's M3727 was selected as the chipset platform for this co-development project with iWedia. The robust, feature-rich M3727 provides a secure environment for the deployment of iWedia software component and turnkey solutions. Besides hardware architecture, ALi AUI (Application Unified Interface) plays a significant role for the interoperability with APIs (Application Programming Interface) from iWedia software solutions, which also accelerates the deployment and development process with Android and Linux RTOS.
IWedia's Teatro-3.0 is a software solution for Linux-based hybrid (DVB+OTT) STB. It features an easy to customize User Interface / resident app developed using regular Web technologies (HTML5, CSS, DOM, and JavaScript). The solution includes a web browser optimized for embedded systems, a full-blown DVB stack as well as client software for HLS and DASH. Support to HbbTV 2 is proposed as an option.
Teatro-3.0 is pre-integrated with the main Conditional Access Systems to secure broadcast content and with the main DRM systems to secure OTT content.
"With Teatro-3.0 Pay TV operators can deliver a mix of broadcast and OTT video services on the main screen using their own branded UI", said Sunghoon Kim, VP Sales at iWedia. "The M3527 and M3727 SoC from ALi allow for a very optimized STB BOM and they thus efficiently target the first segment of the hybrid STB market – also known as connected zappers – for which massive deployments are foreseen e.g., in LATAM and APAC", he added.
"Our M3527 and M3727 chipsets are ideally fitted for the hybrid STB markets as they support the smooth and secure delivery of broadcast and OTT content," said Willis Chang, Vice President of ALi Corporation. "With this integration with Teatro-3.0, we enable our customers, the STB ODM, to bring a better Time-To-Market to Pay TV operators. Moreover, they can leverage iWedia's STB software integration services capabilities", he added.

BRANDS & TRADEMARKS

Brands & Trademarks - 1		
Brands & Trademarks	: A-3D	
Application Category	: #1	Digital AV amplifiers
Legal Details of a Brand / Trademark Registration		
Type of Mark	: Trademark	
Country Registered	: Taiwan	
Registration Category	: n/a	
Registration No.	: 01294869	
Registration Date	: 1 Jan, 2008	

Brands & Trademarks - 2		
Brands & Trademarks	: Aladdin IV	
Application Category	: #1	Multimedia peripherals
Legal Details of a Brand / Trademark Registration		
Type of Mark	: Brand	

Brands & Trademarks - 3		
Brands & Trademarks	: ALI	
Application Category	: #1	IC (integrated circuits)
Legal Details of a Brand / Trademark Registration		
Type of Mark	: Trademark	
Country Registered	: Taiwan	
Registration Category	: n/a	
Registration No.	: 01290905	
Registration Date	: 1 Dec, 2007	

Brands & Trademarks - 4		
Brands & Trademarks	: AliMagik I	
Application Category	: #1	Digital AV amplifiers

Brands & Trademarks - 5		
Brands & Trademarks	: MobileMagik I	
Application Category	: #1	Multimedia peripherals

Brands & Trademarks - 6		
Brands & Trademarks	: MyAli	
Application Category	: #1 #2	IC (integrated circuits) Digital AV amplifiers
Legal Details of a Brand / Trademark Registration		
Type of Mark	: Trademark	
Country Registered	: Taiwan	
Registration Category	: n/a	
Registration No.	: 01716482	
Registration Date	: 1 Jul, 2015	

ADDITIONAL INFORMATION

經濟部　函

承辦單位：經濟部
機關地址：台北市福州街15號
聯絡電話：02-23212200　分機：8303

新竹市金山八街1號6樓

受文者：揚智科技股份有限公司

發文日期：中華民國109年03月17日
發文字號：經授商字第10901044700號
速別：普通件
密等及解密條件或保密期限：普通
附件：規費收據1紙

主旨：貴公司申請公司登記英文證明書乙案，准如所請，請查照。

說明：

一、依貴公司109年03月13日申請書辦理。

二、檢附貴公司之公司登記英文證明書1份。

正本：揚智科技股份有限公司
副本：

部長 沈榮津

經　濟　部

MINISTRY OF ECONOMIC AFFAIRS

15, FU-CHOU STREET

TAIPEI, TAIWAN

REPUBLIC OF CHINA

To whom it may concern:

This is to certify that ALI CORPORATION (揚智科技股份有限公司) is organized and incorporated in accordance with the provisions of the Company Law of the Republic of China, and has been duly registered with this Ministry as follows:

1. Name of Company: ALI CORPORATION (揚智科技股份有限公司)

2. Amount of Capital: The authorized capital is NT$3,600,000,000 divided into 360,000,000 shares of NT$10 each. The total paid-up capital is NT$1,925,397,460.

3. Name of Representative: LIANG,HOU-YI, Chairman of the Board

4. Location of Company: 6F., NO.1, JINSHAN 8TH ST., EAST DIST., HSINCHU CITY 30080, TAIWAN (R.O.C.)

5. Date of Incorporation: June 10, 1993

6. Scope of Business:

(1) CC01060 Wired Communication Equipment and Apparatus Manufacturing;

(2) CC01070 Telecommunication Equipment and Apparatus

(1)

經　濟　部

MINISTRY OF ECONOMIC AFFAIRS

15, FU-CHOU STREET

TAIPEI, TAIWAN

REPUBLIC OF CHINA

Manufacturing;

(3) CC01080 Electronic Parts and Components Manufacturing;

(4) CC01110 Computers and Computing Peripheral Equipments Manufacturing;

(5) F213060 Retail Sale of Telecom Instruments;

(6) F218010 Retail Sale of Computer Software;

(7) F219010 Retail Sale of Electronic Materials;

(8) F401010 International Trade;

(9) F601010 Intellectual Property;

(10) I301010 Software Design Services;

(11) I301020 Data Processing Services;

(12) I501010 Product Designing;

(13) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

經　濟　部

MINISTRY OF ECONOMIC AFFAIRS

15, FU-CHOU STREET

TAIPEI, TAIWAN

REPUBLIC OF CHINA

Unified Business No.: 84149054

Given under my hand and official seal on this 17th day of March, 2020.

May Lee

Director General

Dept. of Commerce

Source: Company

AWARDS:

#	Award Name	Awarded by	Awarded Date
1	Best Socket 754 Chipset in the 2003 Reader's Choice Award	n/a	n/a
2	Innovative Product Award.	SCIENCE-BASED INDUSTRIAL PARK'S 1994	1994 - Feb
3	Innovative Product Award	SCIENCE-BASED INDUSTRIAL PARK'S 1994	1994 - Dec
4	1995 Research & Development Award	MINISTRY OF ECONOMIC AFFAIRS. (MOEA)	1995 - Dec
5	3rd place in the "Financial Growth Award	SCIENCE-BASED INDUSTRIAL PARK	1995 - Dec
6	4th place in the IC Design and Production Capability Award	SCIENCE-BASED INDUSTRIAL PARK	1995 - Dec
7	Innovative Product Award (for the Genie Chipset)	SCIENCE-BASED INDUSTRIAL PARK	1995 - Dec
8	Research and Development Award	SCIENCE-BASED INDUSTRIAL PARK	1995 - Dec
9	Research & Development Award	SCIENCE-BASED INDUSTRIAL PARK'S 1996	1996 - Dec
10	Research & Development Award 1997	SCIENCE-BASED INDUSTRIAL PARK'S 1997	1997 - Dec
11	Research & Development Award 1998	SCIENCE-BASED INDUSTRIAL PARK'S 1998	1998 - Dec
12	Symbol of Excellence (SOE) Award	n/a	2002 - Mar
13	Excellent Technological Development Award	MINISTRY OF ECONOMIC AFFAIRS (MOEA)	2002 - Sep

Source: External

ALI CORP are members of the following associations:

Association Name
TAIPEI COMPUTER ASSOCIATION - TCA
TAIWAN ELECTRICAL & ELECTRONIC MANUFACTURERS' ASSOCIATION
TAIWAN SEMICONDUCTOR INDUSTRY ASSOCIATION

Source: External

PRODUCTS AND SERVICES

Products

Core Business

The primary business focus of ALI CORP is Trading - Finished products.

Key products include :

- ASIC
- CD ROM
- CPU
- Chips
- Chipsets
- Controller ICs
- Core logic chip sets
- DVD player chipsets
- Digital AV amplifiers
- I/O controllers
- I/O peripheral chip sets
- IC (integrated circuits)
- IP DSLAMs
- Main boards
- Microprocessors
- Motherboards
- Multi-media sound cards
- Multimedia peripherals
- Notebook computers
- Optical storage media products
- Output peripherals
- PC chip-sets
- PC peripherals
- Portable systems
- Printers
- Scanner controllers
- Servers
- USB (universal serial bus)
- Wireless communication system

An integral part of the core business includes:

- Outsourcing - Close cooperation with vendor

Supplementary Business

In addition to the core business, ALI CORP also is engaged in the following areas of business:

1. Exporting
   - Exporting - Components
2. Importing
   - Importing - Raw materials

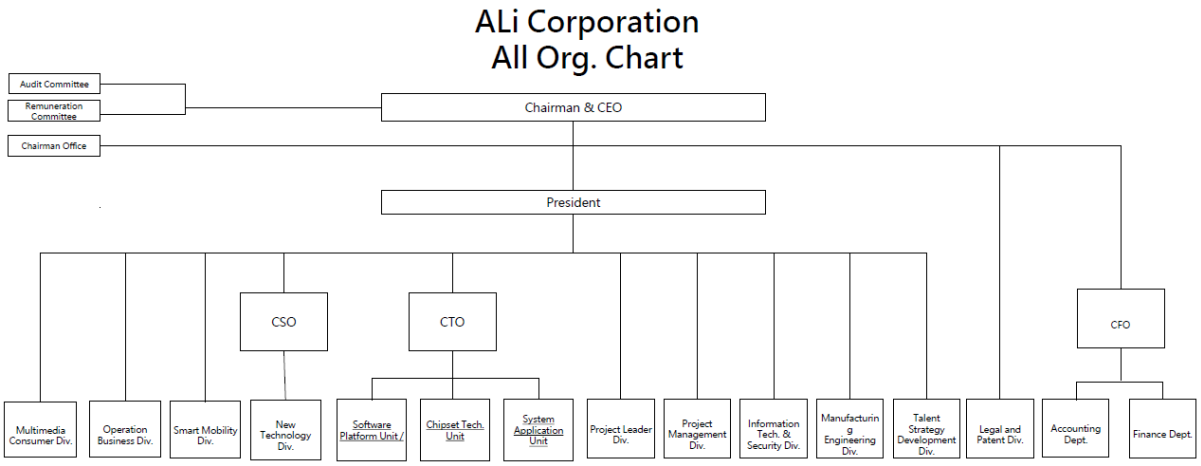
Source: External

CERTIFICATES

Certificates	Issued by	Issue date	Expiration date
Soc. Certified Features – Summa	Nagra	30/09/2020	30/09/2022
Conax Chipset Verification	Conax	28/01/2019	28/01/2022
Type Approval of ALI M3538	Irdeto	22/08/2019	22/08/2022
Certification Letter of verima	Verimatrix	04/09/2020	04/09/2022
Chip Security Certification	Novel	05/01/2021	05/01/2023

Source: Company

ORGANIZATIONAL CHART



Source: Company

MONTHLY BREAKDOWN/ HIRED EMPLOYEES DETAILS

Year	Production Staff	Commercial staff	Administration staff	Total Personnel
2019	319	19	46	384
2020	345	19	47	411
2021	353	15	47	**415**

Source: Company

SUBCONTRACTED STAFF

Year	Production Staff	Commercial staff	Administration staff	Total Personnel
2019	0	0	5	5
2020	0	0	5	5
2021	0	0	8	**8**

Source: Company

Corporate Structure and Related Companies

PARTNERS / SHAREHOLDERS

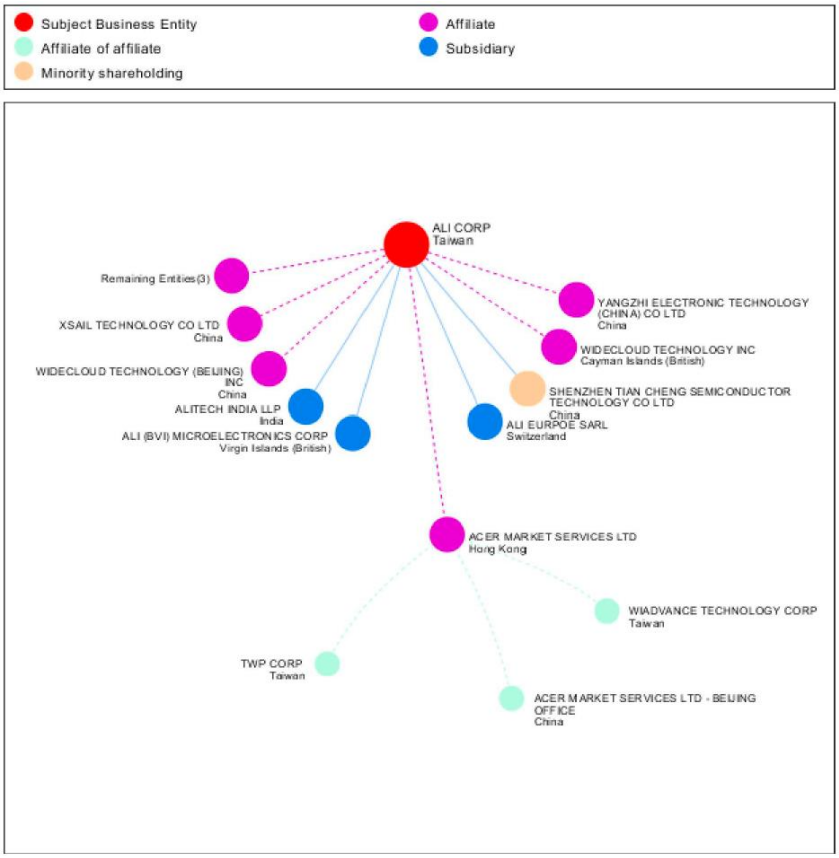
Name and Surname / Company Name	Nationality	Tax ID	%
PUBLIC SHAREHOLDING TRADED VIA STOCK EXCHANGE	N/A	N/A	99.53
MR. CHUNG-HO HSIAO	Taiwan	N/A	0.47

Source: External

RELATED COMPANIES

Company Name	Tax ID	Nationality
ALI(BVI) MICROELECTRONICS CORPORATION	NA	BVI
ALITECH INDIA LLP	NA	INDIA
ALI (ZHUHAI) CORPORATION	914404006328037841	China
ALI (CHINA) CORPORATION	914403006955982716	China
XSAIL (ZHUHAI) CORPORATION	91440400MA52PBFD6H	China

Source: Company



Source: External

MANAGERS

Name and Surname	Nationality	Tax ID	Position
LIANG, HOU-YI	Taiwan	NA	Director
HSIAO, CHUNG-HO	Taiwan	NA	Director
TSAI, JUNG-TUNG	Taiwan	NA	Independent Director
JACK QI SHU	USA	NA	Independent Director
HUANG, TA-LUN	Taiwan	NA	Independent Director

Source: Company

Business Situation

INSURANCE

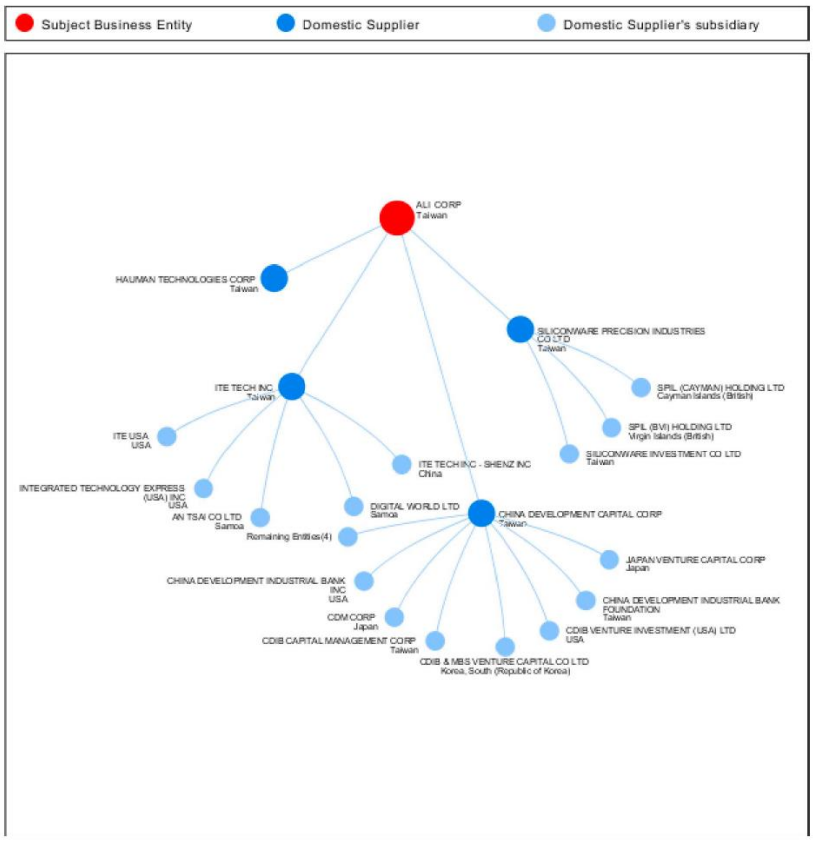
Type of Insurance	Insurance company	Policy No.	Sum Insured	Currency
D&O Liability Insurance	Fubon Insurance Co., Ltd	0500-21ADO0000079	$ 10 000 000	Dollar
Commercial Fire Insurance	CTBC Insurance Co., Ltd	1805-21FAH00016	$ 910 479 671	NTD
Public Liability Insurance	CTBC Insurance Co., Ltd	1805-21PB000043	$ 40 000 000	NTD

Source: Company

SUPPLIERS

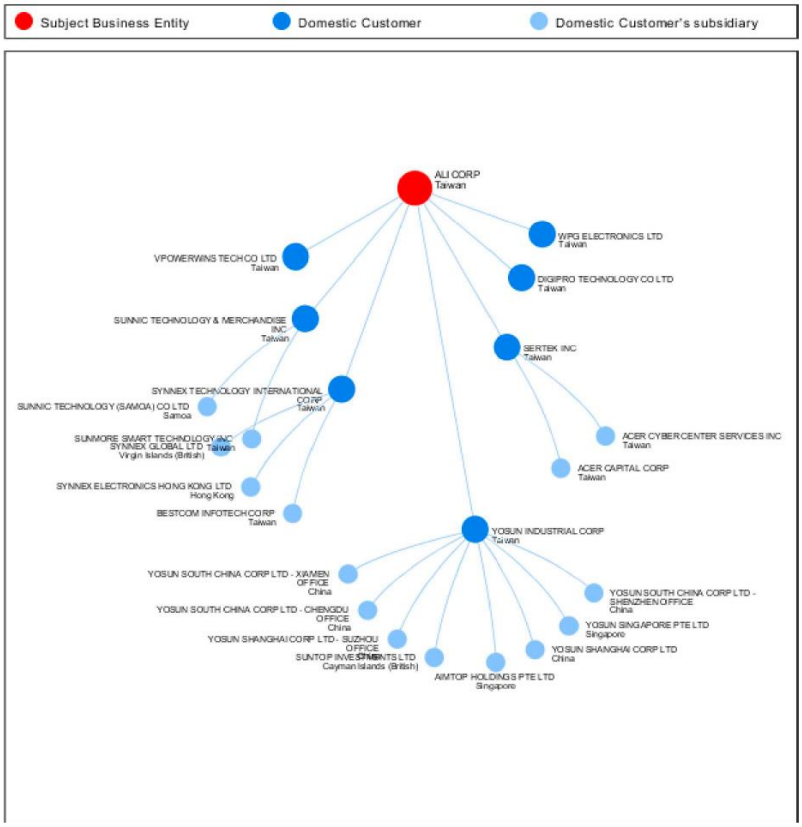
Company Name	Tax ID	Nationality	Annual Amount of Purchases (net)	Currency
UMC	47217677	R.O.C	$ 21 884 424	Dollar
ASE	70848839	R.O.C	$ 4 730 490	Dollar
SPIL	55991080	R.O.C	$ 8 035 533	Dollar

Source: Company



Source: External

CUSTOMERS



Source: External

DOMESTIC SALES AND PURCHASES

Annual Sales Analysis	Percentage
Domestic Sales	10%
International Sales (Export)	90%



Annual Purchases Analysis	Percentage
Local Purchases	74%
Imports	26%



Source: External

SALES TO DIRECTV

Mes / Año	Ventas	Moneda
12/2020	$ 2 071 615	NTD/K
12/2019	$ 2 011 515	NTD/K
12/2018	$ 2 412 587	NTD/K

Source: Company

Analysis of Banking Activity

BANKING STATUS

No record found.

Source: External

DISHONORED CHECKS

No record found.

Source: External

BANKING INSTITUTION

Entity	Debt	Currency
CTBC BANK CO., LTD.	0	NA
TAIPEI FUBON COMMERCIAL BANK CO., LTD.	0	NA

Source: Company

Foreign Trade

INTERNATIONAL TRADE - Statistics (Currency: USD - US Dollar)

Year	Imports	Exports	Total
1997	5,500,000	36,700,000	42,200,000
1998	6,100,000	34,600,000	40,700,000
1999	3,200,000	25,400,000	28,600,000
2015	29,831,539	94,002,158	123,833,697

INTERNATIONAL TRADE - Activity & Markets

Country / Region	Estimated level of importance	Trading Activity
Asia / Pacific	High	Importing, Exporting
Europe	Medium	Importing, Exporting
North America	Medium	Importing, Exporting
China	High	Exporting
Hong Kong	High	Importing, Exporting, Exporting
India	Medium	Exporting
Japan	High	Exporting
Korea, South (Republic of Korea)	High	Exporting
Malaysia	Medium	Exporting
Singapore	Medium	Exporting
USA	Medium	Importing, Exporting

Source: External

Analysis of Judicial and Prosecutorial Situation

LAWSUITS AS PLAINTIFF OR DEFENDANT

No information detected/ found

Compliance

SEARCH CRITERIA

Analyzed Subject ALI CORPORTATION.

Negative

Sources checked: List of worldwide politicians and government controlled entities (also known as PEPs, for politically exposed persons), Profiles of persons who hold political office, their immediate family members, close associates, and companies under their control; Crime - Global Enforcement List, Profiles of entities listed worldwide; Reputation - Global Foreign Officials List, SDN and Financial Intelligence Units, following the FATF (Financial Action Task Force) recommendations.

SEARCH CRITERIA

Analyzed Subject Liang, Hou-yi

Negative

Sources checked: List of worldwide politicians and government controlled entities (also known as PEPs, for politically exposed persons), Profiles of persons who hold political office, their immediate family members, close associates, and companies under their control; Crime - Global Enforcement List, Profiles of entities listed worldwide; Reputation - Global Foreign Officials List, SDN and Financial Intelligence Units, following the FATF (Financial Action Task Force) recommendations.

SEARCH CRITERIA

Analyzed Subject Hsiao, Chung-ho

Negative

Sources checked: List of worldwide politicians and government controlled entities (also known as PEPs, for politically exposed persons), Profiles of persons who hold political office, their immediate family members, close associates, and companies under their control; Crime - Global Enforcement List, Profiles of entities listed worldwide; Reputation - Global Foreign Officials List, SDN and Financial Intelligence Units, following the FATF (Financial Action Task Force) recommendations.

SEARCH CRITERIA

Analyzed Subject Tsai, Jung-tung

Negative

Sources checked: List of worldwide politicians and government controlled entities (also known as PEPs, for politically exposed persons), Profiles of persons who hold political office, their immediate family members, close associates, and companies under their control; Crime - Global Enforcement List, Profiles of entities listed worldwide; Reputation - Global Foreign Officials List, SDN and Financial Intelligence Units, following the FATF (Financial Action Task Force) recommendations.

SEARCH CRITERIA

Analyzed Subject Jack Qi Shu

Negative

Sources checked: List of worldwide politicians and government controlled entities (also known as PEPs, for politically exposed persons), Profiles of persons who hold political office, their immediate family members, close associates, and companies under their control; Crime - Global Enforcement List, Profiles of entities listed worldwide; Reputation - Global Foreign Officials List, SDN and Financial Intelligence Units, following the FATF (Financial Action Task Force) recommendations.

SEARCH CRITERIA

Analyzed Subject Huang, Ta-lun

Negative

Sources checked: List of worldwide politicians and government controlled entities (also known as PEPs, for politically exposed persons), Profiles of persons who hold political office, their immediate family members, close associates, and companies under their control; Crime - Global Enforcement List, Profiles of entities listed worldwide; Reputation - Global Foreign Officials List, SDN and Financial Intelligence Units, following the FATF (Financial Action Task Force) recommendations.

SEARCH CRITERIA

Analyzed Subject ALi(BVI) Microelectronics Corporation

Negative

Sources checked: List of worldwide politicians and government controlled entities (also known as PEPs, for politically exposed persons), Profiles of persons who hold political office, their immediate family members, close associates, and companies under their control; Crime - Global Enforcement List, Profiles of entities listed worldwide; Reputation - Global Foreign Officials List, SDN and Financial Intelligence Units, following the FATF (Financial Action Task Force) recommendations.

SEARCH CRITERIA

Analyzed Subject ALitech India LLP

Negative

Sources checked: List of worldwide politicians and government controlled entities (also known as PEPs, for politically exposed persons), Profiles of persons who hold political office, their immediate family members, close associates, and companies under their control; Crime - Global Enforcement List, Profiles of entities listed worldwide; Reputation - Global Foreign Officials List, SDN and Financial Intelligence Units, following the FATF (Financial Action Task Force) recommendations.

SEARCH CRITERIA

Analyzed Subject ALi (Zhuhai) Corporation

Negative

Sources checked: List of worldwide politicians and government controlled entities (also known as PEPs, for politically exposed persons), Profiles of persons who hold political office, their immediate family members, close associates, and companies under their control; Crime - Global Enforcement List, Profiles of entities listed worldwide; Reputation - Global Foreign Officials List, SDN and Financial Intelligence Units, following the FATF (Financial Action Task Force) recommendations.

SEARCH CRITERIA

Analyzed Subject ALi (China) Corporation

Negative

Sources checked: List of worldwide politicians and government controlled entities (also known as PEPs, for politically exposed persons), Profiles of persons who hold political office, their immediate family members, close associates, and companies under their control; Crime - Global Enforcement List, Profiles of entities listed worldwide; Reputation - Global Foreign Officials List, SDN and Financial Intelligence Units, following the FATF (Financial Action Task Force) recommendations.

SEARCH CRITERIA

Analyzed Subject Xsail (Zhuhai) Corporation

Negative

Sources checked: List of worldwide politicians and government controlled entities (also known as PEPs, for politically exposed persons), Profiles of persons who hold political office, their immediate family members, close associates, and companies under their control; Crime - Global Enforcement List, Profiles of entities listed worldwide; Reputation - Global Foreign Officials List, SDN and Financial Intelligence Units, following the FATF (Financial Action Task Force) recommendations.

PRESS INFORMATION

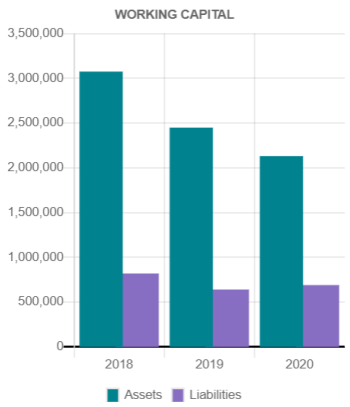
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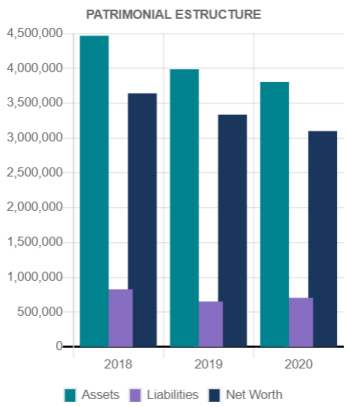
Financial Statements

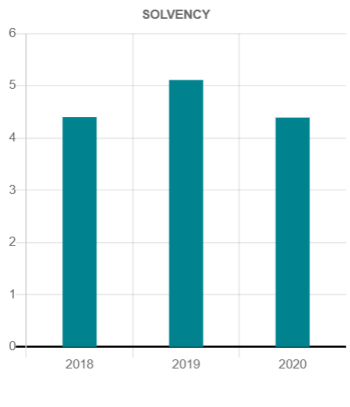
ASSETS

Date	31/12/2018	31/12/2019	31/12/2020
Cash and Banks	716 824	1 335 729	834 854
Current Investments	1 640 081	555 138	656 966
Accounts Receivable (Long-Term Assets)	222 324	215 151	194 234
Other Credits	179 774	95 966	110 238
Inventories	294 158	204 225	334 546
Intangible Inventories	0	0	0
Other Current Assets	21 473	42 607	0
Total Current Assets	3 074 634	2 448 816	2 130 838
Accounts Receivable	56 031	51 934	88 789
Long-Term Credits	0	90 062	69 941
Long-Term Investments	17 781	17 167	17 504
Fixed Assets - Original Value	481 253	380 487	381 411
Accumulated Depreciation	4 765	34 590	34 674
Fixed Assets	476 488	345 897	346 737
Long-Term Intangible Assets	126 197	123 791	174 697
Other Long-Term Assets	716 365	909 113	975 767
Total Long-Term Assets	1 392 862	1 537 964	1 673 435
Total Assets	4 467 496	3 986 780	3 804 273

Values in thousands Dólares Taiwaneses



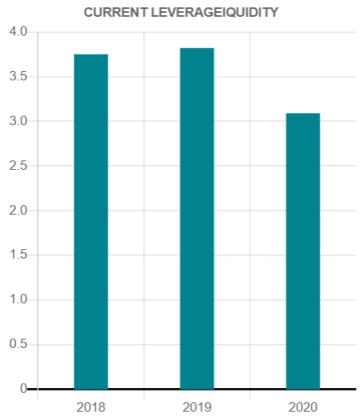


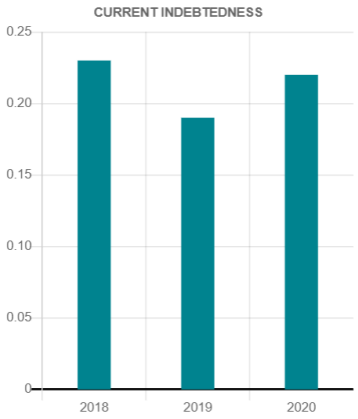


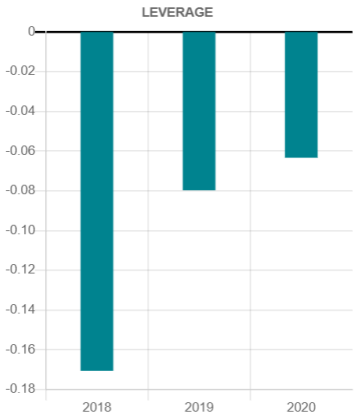
LIABILITIES/NET WORTH

Date	31/12/2018	31/12/2019	31/12/2020
Accounts Payable	405 480	196 726	247 029
Bank Debts (Bank)	0	385 475	402 216
Corporate Debts	0	0	0
Taxes Payable	7 275	837	3 189
Clients' Prepayments	0	0	0
Other Liabilities	407 089	57 765	38 155
Total Current Liabilities	819 844	640 803	690 589
Accounts Payable	0	0	0
Bank Debts	0	2 298	2 551
Taxes Payable	5 608	1 883	2 429
Other Liabilities	1 138	7 061	9 625
Pensions	0	0	0
Total Long-Term Liabilities	6 746	11 242	14 605
Total Liabilities	826 590	652 045	705 194
Share Capital	3 027 691	3 001 059	3 021 059
Unassigned Profits	613 215	333 676	78 020
Net Worth	3 640 906	3 334 735	3 099 079

Values in thousands Dólares Taiwaneses



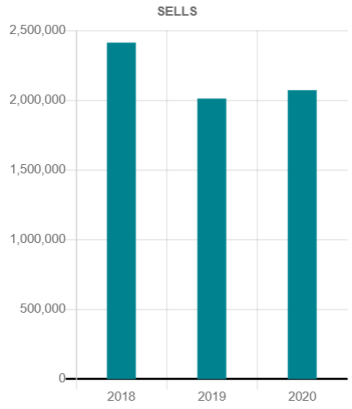


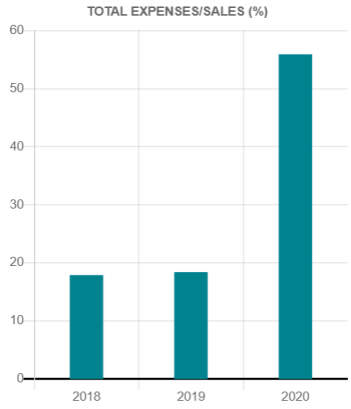


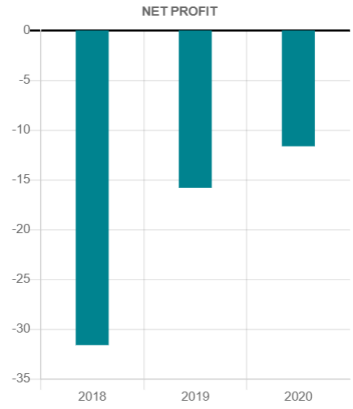
PROFIT & LOSS STATEMENT

Date	31/12/2018	31/12/2019	31/12/2020
Sales	2 412 587	2 011 515	2 071 615
Purchases	0	0	0
Cost of Sales	1 987 374	1 261 870	1 413 905
Gross Margin	425 213	749 645	657 710
Amortization	0	0	0
Business Expenses	200 582	124 001	940 786
Administrative Expenses	231 200	246 305	217 066
Financial Expenses	0	0	0
Other Incomes	557 082	4 121	326 838
Other Expenses	1 063 459	629 577	12 407
Financial & Holding Results	0	0	0
Income Tax	249 306	71 700	55 246
Return on Sales	-762 252	-317 817	-240 957

Values in thousands Dólares Taiwaneses







KPIs

Date	31/12/2018	31/12/2019	31/12/2020
Current Liquidity Current Assets / Current Liabilities	3,75	3,82	3,09
Acid Liquidity (Current Assets - Inventories) / Current Liabilities	3,39	3,50	2,60
Indebtedness Total Liabilities / Net Worth	0,23	0,19	0,22
Indebtedness Fixed Assets Long-Term Liabilities / Fixed Assets	0,01	0,03	0,04
Solvency Equity / Liabilities	4,40	5,11	4,39
Working Capital Current Assets - Current Liabilities	2 254 790,00	1 808 013,00	1 440 249,00
Fixed Assets Investments Net Worth / Fixed Assets	7,64	9,64	8,94
Gross Profit (Gross Profit / Sells) * 100	17,62	37,27	31,75
Net Profit (Net Profit / Sells) * 100	-31,59	-15,80	-11,63
Return on equity Net Profit / Net Worth	-0,21	-0,10	-0,08
Total Assets Turnover Sells / Total Assets	0,54	0,50	0,54
Fixed Assets Turnover Sells / Fixed Assets	5,06	5,82	5,97
Return on Assets (Net Profit / Total Assets) * 100	-17,06	-7,97	-6,33
EBITDA/Liabilities (Result of Exercise + Amortization + Financial Expenses + Income Tax) / Total Liabilities	-0,62	-0,38	-0,26
Credit Turnover Sells / Accounts Receivable	10,85	9,35	10,67
Inventory Turnover Cost of Sales / Inventories	6,76	6,18	4,23
Bank Debts / Net Worth Bank Debts / Net Worth	0,00	0,12	0,13
Bank Debts / (Sells/12) Bank Debts / (Sells / 12)	0,00	0,19	0,20

Values in thousands Dólares Taiwaneses

COMMENTS ON FINANCIAL STATEMENTS

For the analysis of the economic, financial and patrimonial situation of the client, the financial statements corresponding to the years 2018, 2019 and 2020 (closing date 31/12) were used.

Currency: Taiwanese dollars (NT$)

Leading indicators

Economic:

- Sales for the year ended 12/2019 were NT$2.071 Million, representing a decrease of 3% compared to the previous year (NT$2.011 Million).
- Direct Costs increased their incidence on sales from 62.7% to 68.3%, while overhead expenses also increased from 18.4% on sales in 2019 to 55.9% on sales. An Operating Result of -NT$555 Million was determined, a figure that represented -26.8% of sales. In 2019 the result was positive of NT$307.6 Million
- (15.9% of sales)
  Other Income was recorded for -NT$326 Million (corresponding mainly to interest income, exchange differences, tax income and other miscellaneous income) and Other Miscellaneous Expenses for NT$12.4 Million.
- The Income Tax Charge corresponding to the year was NT$55 Million.
- In accordance with what was stated in the preceding paragraphs, a net Final loss of -NT$240.9 Million was
- recorded, a figure that represented -11.6% of Sales vs. -NT$317 Million (-15.7% on sales) in 2019 and -NT$762.2 Million (-31.6% on sales) in 2018.

In summary, the company presented a poor economic performance, presenting Losses in the last three years.

Financial:

- The Current Liquidity indicator went from 3.82 to 3.09, remaining within adequate parameters.
- The Working Capital was NT$1.440 Million, a figure that represented 38% of the Total Assets, considering
- the relationship adequate.

Based on the values of the Liquidity, Working Capital, the Financial position of the company is considered adequate.

Patrimonial:

- The Net Equity as at 12/2020 was NT$3.099 Million vs NT$3.334 Million the previous year. Of the total Equity, NT $3.021 Million correspond to Capital and Capital Adjustment, considering its composition
- satisfactory.
- The financing structure showed that liabilities represented 18.5% of assets (16.4% in the previous year), with bank obligations (57% on liabilities) and commercial debts (35% on liabilities) the main sources of leverage.
- Equity Solvency went from 5.11 to 4.39 and Indebtedness went from de 0.19 to 0.22, remaining within satisfactory parameters.

In summary, the Equity situation was satisfactory, with a satisfactory Solvency and low Indebtedness, in addition to presenting a satisfactory composition of the Equity.

Períodos Analizados				2018/2019/2020			
Concepto	Expresado por	Valor	Grade	Concepto	Expresado por	Valor	Grade
Analisis Patrimonial				**Analisis Financiero**			
Solvencia	ratio	4,54	10	Liquidez corriente	ratio	3,30	10
Endeudamiento corriente	ratio	0,22	10	Liquidez acida	ratio	2,86	10
Capital corriente	%	40,6%	10	Rotación del pasivo corriente días	días	288	1
Activo no Cte sobre Activo	%	41,6%	9	Rotación de las cuentas a cobrar	días	29	10
Financiación del activo no cte.	ratio	2,00	10	Efecto Palanca	ratio	- 0,08	1
Deuda bancaria sobre Pasivo	%	52,1%	5	**Analisis de Eficiencia**			
Deudas Comerciales sobre Pasivo	%	35,5%	7	Gastos Financieros sobre Ventas	%	0,0%	10
Análisis de rentabilidad				Gastos Comerciales sobre Ventas	%	33,9%	1
Rentabilidad de la inversión total	%	-9,4%	1	Gastos Administración sobre Ventas	%	10,7%	9
Rentabilidad ordinaria de la inversión	%	-7,1%	1	Gastos Totales sobre Ventas	%	44,6%	6
Rentabilidad ordinaria sobre el activo	%	-5,8%	1	Vida restante de Bienes de Uso	años	-	1
Resultado bruto sobre ventas	%	31,4%	7	Rotación de bienes de cambio	días		365
Rentabilidad sobre Ventas	%	-14,5%	1	Rotación del activo	veces	0,53	1
Costo del financiamiento	%	0,0%	10	Total			
Rentabilidad Operativa	%	-16,8%	1	62,31			
EBITDA/Ventas	%	-10,8%	1				
EBITDA/Intereses	%		10				

