

**GUANGDONG DONGFANG PRECISION SCIENCE & TECHNOLOGY CO., LTD. - 521460**

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## MIRA INFORM REPORT

<b>Report No. :</b>	521460
<b>Report Date :</b>	25.07.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	GUANGDONG DONGFANG PRECISION SCIENCE & TECHNOLOGY CO., LTD.
<b>Registered Office :</b>	No. 2, Qiangshi Road, Shi Shan Town, Nanhai District, Foshan City, Guangdong Province 528225 Pr
<b>Country :</b>	China
<b>Financials (as on) :</b>	31.03.2018
<b>Date of Incorporation :</b>	09.12.1996
<b>Unified Social Credit Code :</b>	914406002318313119
<b>Legal Form :</b>	Shares Limited Company
<b>Line of Business :</b>	Subject registered business scope includes processing, manufacturing and selling carton printing machines and parts, general machinery and parts; importing and exporting goods and technology.
<b>No. of Employees :</b>	1,993

### RATING & COMMENTS

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

**MIRA's Rating :** A+

Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

<b>Status :</b>	Good
<b>Payment Behaviour :</b>	Regular

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<b>Litigation :</b>	Clear
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**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.

**ECGC Country Risk Classification List**

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
China	A2	A1

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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**CHINA - ECONOMIC OVERVIEW**

Since the late 1970s, China has moved from a closed, centrally planned system to a more market-oriented one that plays a major global role. China has implemented reforms in a gradualist fashion, resulting in efficiency gains that have contributed to a more than tenfold increase in GDP since 1978. Reforms began with the phaseout of collectivized agriculture, and expanded to include the gradual liberalization of prices, fiscal decentralization, increased autonomy for state enterprises, growth of the private sector, development of stock markets and a modern banking system, and opening to foreign trade and investment. China continues to pursue an industrial policy, state support of key sectors, and a restrictive investment regime. Measured on a purchasing power parity (PPP) basis that adjusts for price differences, China in 2016 stood as the largest economy in the world, surpassing the US in 2014 for the first time in modern history. China became the world's largest exporter in 2010, and the largest trading nation in 2013. Still, China's per capita income is below the world average.

After keeping its currency tightly linked to the US dollar for years, China in July 2005 moved to an exchange rate system that references a basket of currencies. From mid-2005 to late 2008, the renminbi appreciated more than 20% against the US dollar, but the exchange rate remained virtually pegged to the dollar from the onset of the global financial crisis until June 2010, when Beijing announced it would allow a resumption of gradual liberalization. From 2013 until early 2015, the renminbi (RMB) appreciated roughly 2% against the dollar, but the exchange rate fell 13% from mid-2015 until end-2016 amid strong capital outflows in part stemming from the August 2015 official devaluation; in 2017 the RMB resumed appreciating against the dollar – roughly 7% from end-of-2016 to end-of-2017. From 2013 to 2017, China had one of the fastest growing economies in the world, averaging slightly more than 7% real growth per year. In 2015, the People's Bank of China announced it would continue to carefully push for full convertibility of the renminbi, after the currency was accepted as part of the IMF's special drawing rights basket. However, since late 2015 the Chinese Government has strengthened capital controls and oversight of overseas investments to better manage the exchange rate and maintain financial stability.

The Chinese Government faces numerous economic challenges including: (a) reducing its high domestic savings rate and correspondingly low domestic household consumption; (b) managing its high corporate debt burden to maintain financial stability; (c) controlling off-balance sheet local government debt used to finance infrastructure stimulus; (d) facilitating higher-wage job opportunities for the aspiring middle class, including rural migrants and college graduates, while maintaining competitiveness; (e) dampening speculative investment in the real estate sector without sharply slowing the economy; (f) reducing industrial overcapacity; and (g) raising productivity growth rates through the more efficient allocation of capital and state-support for innovation. Economic development has progressed further in coastal provinces than in the interior, and by 2016 more than 169.3 million migrant workers and their dependents had relocated to urban areas to find work. One consequence of China's population control policy known as the "one-child policy" - which was relaxed in 2016 to permit all families to have two children - is that China is now one of the most rapidly aging countries in the world. Deterioration in the environment - notably air pollution, soil erosion, and the steady fall of the water table, especially in the North - is another long-term problem. China continues to lose arable land because of erosion and urbanization. The Chinese Government is seeking to add energy production capacity from sources other than coal and oil, focusing on natural gas, nuclear, and clean energy development. In 2016, China ratified the Paris Agreement, a multilateral agreement to combat climate change, and committed to peak its carbon dioxide emissions between 2025 and 2030.

The government's 13th Five-Year Plan, unveiled in March 2016, emphasizes the need to increase innovation and boost domestic consumption to make the economy less dependent on government investment, exports, and heavy industry. However, China has made more progress on subsidizing innovation than rebalancing the economy. Beijing has committed to giving the market a more decisive role in allocating resources, but the Chinese Government's policies continue to favor state-owned enterprises and emphasize stability. Chinese leaders in 2010 pledged to double China's GDP by 2020, and the 13th Five Year Plan includes annual economic growth targets of at least 6.5% through 2020 to achieve that goal. In recent years, China has renewed its support for state-owned enterprises in sectors considered important to "economic security," explicitly looking to foster globally competitive industries. Chinese leaders also have undermined some market-oriented reforms by reaffirming the "dominant" role of the state in the economy, a stance that threatens to discourage private initiative and make the economy less efficient over time. The slight acceleration in economic growth in 2017—the first such uptick since 2010—gives Beijing more latitude to pursue its economic reforms, focusing on financial sector deleveraging and its Supply-Side Structural Reform agenda, first announced in late 2015.

Source : CIA

## **COMPANY NAME & ADDRESS**

<b>COMPANY NAME</b>	GUANGDONG DONGFANG PRECISION SCIENCE & TECHNOLOGY CO., LTD.
<b>CURRENT ADDRESS</b>	NO. 2, QIANGSHI ROAD, SHI SHAN TOWN, NANHAI DISTRICT, FOSHAN CITY, GUANGDONG PROVINCE 528225 PR CHINA
<b>TEL. NO.</b>	86 (0) 757-86695482/86695483
<b>FAX NO.</b>	86 (0) 757-86695471

## **EXECUTIVE SUMMARY**

DATE OF REGISTRATION	: DECEMBER 9, 1996
UNIFIED SOCIAL CREDIT CODE	: 914406002318313119
LEGAL FORM	: SHARES LIMITED COMPANY
CHIEF EXECUTIVE	: TANG ZHUOLIN (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL	: CNY 1,149,154,435
STAFF	: 1,993
BUSINESS CATEGORY	: MANUFACTURING & TRADING
REVENUE	: CNY 854,251,000 (CONSOLIDATED, JAN. 1 2018 TO MAR. 31, 2018)
EQUITIES	: CNY 7,749,494,000 (CONSOLIDATED, AS OF MAR. 31, 2018)
WEBSITE	: <a href="http://www.vmtdf.com">www.vmtdf.com</a>
E-MAIL	: <a href="mailto:market@vmtdf.com">market@vmtdf.com</a>
PAYMENT	: REGULAR
MARKET CONDITION	: COMPETITIVE
FINANCIAL CONDITION	: STABLE
OPERATIONAL TREND	: FAIRLY STEADY
GENERAL REPUTATION	: AVERAGE

### **Adopted abbreviations (as follows)**

**SC** - Subject Company (the company inquired by you)

**N/A** – Not available

**CNY** – China Yuan Ren Min Bi

## **OPERATIONAL TREND & GENERAL REPUTATION**

This section aims at indicating the relative positions of SC in respect of its operational trend & general reputation

<b>Operational Trend:-</b>	<b>General Reputation:-</b>
Upward	Excellent
Steady	Good
Fairly Steady	Fairly Good
Ordinary	Average

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Fair	Fair
Stagnant	Detrimental
Downward	Not known
Not known	Not yet be determined
Not yet be determined	

## **LEGAL STATUS & HISTORY**

SC was established as shares limited company of PRC with State Administration of Industry & Commerce (SAIC) under unified social credit code: 914406002318313119.

SC's Import and Export Enterprise Code: 4400231831311

SC's registered capital: CNY 1,149,154,435

SC's paid-in capital: CNY 1,149,154,435

### **Registration Change Record:-**

<b>Date</b>	<b>Change of Contents</b>	<b>Before the change</b>	<b>After the change</b>
2014-8-1	Registered Capital	CNY 180,955,000	CNY 362,870,000
2015-7-31	Registered Capital	CNY 362,870,000	CNY 580,592,000
2016-4-19	Registered Capital	CNY 580,592,000	CNY 641,866,509
--	Registration No./ Unified Social Credit Code	440682000040868	914406002318313119
2017-12-4	Registered Capital	CNY 641,866,509	CNY 1,149,154,435

### **Current Co search indicates SC's shareholders & chief executives are as follows:-**

<b>Name of Shareholder (s) (as of March 31, 2018)</b>	<b>% of Shareholding</b>
Tang Zhuolin	14.72
Pulead Technology Industry Co., Ltd.	10.24
Tang Zhuomian	7.39
Yu Wenfang	6.79
Beijing Automotive Group Industry Investment Co., Ltd.	6.47
Contemporary Amperex Technology Co., Limited	6.2
Other shareholders	48.19

### **SC's Chief Executives:-**

<b>Position</b>	<b>Name</b>
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Legal Representative and Chairman  
General Manager  
Deputy General Manager

Tang Zhuolin  
Qiu Yezhi  
Yang Yali  
Xie Weiwei

## **RECENT DEVELOPMENT**

SC is a listed company in Shenzhen Stock Exchange Market with the code of 002611.

## **SHAREHOLDER CHART & BACKGROUND**

<b>Name (as of March 31, 2018)</b>	<b>% of Shareholding</b>
Tang Zhuolin	14.72
Pulead Technology Industry Co., Ltd.	10.24
Tang Zhuomian	7.39
Yu Wenfang	6.79
Beijing Automotive Group Industry Investment Co., Ltd.	6.47
Contemporary Amperex Technology Co., Limited	6.2
Other shareholders	48.19

Pulead Technology Industry Co., Ltd.

-----  
Date of Registration: December 10, 1999  
Registration No.: 911101147002379579  
Chief Executive : Gao Li  
Registered Capital: CNY 80,000,000

Beijing Automotive Group Industry Investment Co., Ltd.

-----  
Date of Registration: September 6, 2012  
Registration No.: 911101130536185410  
Chief Executive : Zhang Jianyong  
Registered Capital: CNY 1,031,116,250

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Contemporary Amperex Technology Co., Limited

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Date of Registration: December 16, 2011  
Registration No.: 91350900587527783P  
Chief Executive : Zhou Jia  
Registered Capital: CNY 1,955,193,267

## **MANAGEMENT**

### **Tang Zhuolin, Legal Representative and Chairman**



Gender: M  
Nationality: China  
Age: 55  
Qualification: University  
Working experience (s):

From 1996 to present, working in SC as legal representative and chairman  
Also working in Guangdong Fulandu Ferretto Intelligent Logistics System Co., Ltd., Foshan Nanhai Oudefo Intelligent Equipment Co., Ltd., Guangdong Fosibo Intelligent Equipment Co., Ltd. and Suzhou Shunyi Investment Co., Ltd. as legal representative

### **Qiu Yezhi, General Manager**

-----  
Gender: F  
Nationality: China  
Age: 46  
Qualification: Postgraduate  
Working experience (s):

Before, worked in SC as deputy general manager  
At present, working in SC as general manager

### **Yang Yali, Deputy General Manager**

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Gender: F  
Nationality: China  
Age: 41  
Qualification: Postgraduate  
Working experience (s):

At present, working in SC as deputy general manager

### **Xie Weiwei, Deputy General Manager**

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Gender: M  
Nationality: China  
Age: 44  
Qualification: Postgraduate  
Working experience (s):

At present, working in SC as deputy general manager

## ***BUSINESS OPERATION***

SC's registered business scope includes processing, manufacturing and selling carton printing machines and parts, general machinery and parts; importing and exporting goods and technology.

SC is mainly engaged in manufacturing and selling carton printing machines and parts.

Brand: DONGFANG

SC's products mainly include: printing machines.



SC sources its materials 90% from domestic market, and 10% from Taiwan. SC sells 65% of its products in domestic market, and 35% to overseas market, mainly Turkey.

The buying terms of SC include Check, T/T, L/C and Credit of 30-60 days. The payment terms of SC include Check, T/T, L/C and Credit of 30-60 days.

\*Major Customers:

=====  
Hefei Chaoyi Color Printing and Packaging Co., Ltd.  
Sichuan Jiasheng Packaging Printing Co., Ltd.  
Artigraf SA De Cv  
Tom Haire Inc.

\*Major Suppliers:

=====  
Foshan Nanhai Zhengyi Machinery Co., Ltd.  
Changzhou Wujin Haili Roll Manufacture Co., Ltd.  
Shenzhen Shenshi Mechanical and Electrical Co., Ltd.

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**Staff & Office:**

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SC is known to have approx. 1,993 staff at present.

SC owns an area as its operating office & factory of approx. 40,000 sq. meters at the heading address.



## ***RELATED COMPANY***

**SC is known to have the following subsidiaries at present:**

Guangdong Fulandu Ferretto Intelligent Logistics System Co., Ltd.

-----  
Date of Registration: January 20, 2016  
Registration No.: 91440605MA4ULMQA36  
Chief Executive : Tang Zhuolin  
Registered Capital: EUR 7,000,000

Guangdong Fosibo Intelligent Equipment Co., Ltd.

-----  
Date of Registration: November 28, 2014  
Registration No.: 91440605321639227D  
Chief Executive : Tang Zhuolin  
Registered Capital: EUR 2,000,000

Suzhou Shunyi Investment Co., Ltd.

-----  
Date of Registration: February 17, 2006  
Registration No.: 91320505784380151E  
Chief Executive : Tang Zhuolin  
Registered Capital: CNY 10,000,000

Guangdong Jaten Robot & Automation Co., Ltd.

-----  
Date of Registration: May 23, 2002

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Registration No.: 91440606739851188B  
Chief Executive : Chen You  
Registered Capital: CNY 12,843,750

Etc.

## ***PAYMENT***

### **Overall payment appraisal:**

Excellent  Good  Average  Fair  Poor  Not yet be determined

The appraisal serves as a reference to reveal SC's payments habits and ability to pay. It is based on the 3 weighed factors: Trade payment experience (through current enquiry with SC's suppliers), our delinquent payment records and our debt collection record concerning SC.

**Trade payment experience:** SC's suppliers declined to make any comments.

**Delinquent payment record:** None in our database.

**Debt collection record:** No overdue amount owed by SC was placed to us for collection within the last 6 years.

## ***BANKING***

### **Basic Bank:**

Bank of China Foshan Nanhai High & New Zone Sub-branch

AC#: 739364553733

## ***FINANCIALS***

### **Consolidated Balance Sheet**

Unit: CNY'000

	<b>As of Dec. 31, 2017</b>	<b>As of Mar. 31, 2018</b>
Cash	1,401,341	1,650,384
Held for trading financial assets	387	0
Notes receivable	1,839,113	1,481,540
Accounts receivable	1,273,466	1,555,028
Advances to suppliers	25,994	36,821
Interest receivable	9,271	7,642
Other receivable	39,804	25,603

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Inventory	1,005,255	1,192,152
Other current assets	949,446	805,311
	-----	-----
Current assets	6,544,077	6,754,481
Financial assets available for sale	0	0
Long-term receivables	18,680	18,680
Long-term equity investment	160,756	185,448
Fixed assets	669,325	659,125
Construction in progress	14,423	16,480
Intangible assets	350,414	348,693
Long-term prepaid expenses	65,975	69,341
Deferred income tax assets	53,640	49,430
Other non-current assets	4,560,509	4,557,753
	-----	-----
Total assets	12,437,799	12,659,431
	=====	=====
Short-term loans	463,385	276,587
Held for trading financial liabilities	0	0
Notes payable	434,902	533,075
Accounts payable	2,291,390	2,613,054
Advances from clients	254,928	352,763
Payroll payable	94,854	73,369
Tax payable	80,532	19,198
Interest payable	6,439	1,272
Other payable	155,164	114,582
Current liabilities due within one year	405,909	402,275
Other current liabilities	3,386	3,008
	-----	-----
Current liabilities	4,190,889	4,389,183
Non-current liabilities	534,143	520,754
	-----	-----
Total liabilities	4,725,032	4,909,937
Equities	7,712,767	7,749,494
	-----	-----
Total liabilities & equities	12,437,799	12,659,431
	=====	=====

**Consolidated Income Statement**

Unit: CNY'000	As of Dec. 31, 2017	Jan. 1, 2018 to Mar. 31, 2018
Revenue	4,684,845	854,251
Cost of sales	3,638,414	709,506
Taxes and Surcharges	16,050	2,659
Sales expense	194,985	30,895
Management expense	301,151	70,983
Finance expense	18,081	21,632

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Investment income	21,424	5,579
Non-operating income	57,190	3,067
Non-operating expense	20,952	235
Profit before tax	646,929	27,254
Less: profit tax	126,123	14,460
Profits	520,806	12,794

**Important Ratios**

=====

	<b>As of Dec. 31, 2017</b>	<b>As of Mar. 31, 2018</b>
*Current ratio	1.56	1.54
*Quick ratio	1.32	1.27
*Liabilities to assets	0.38	0.39
*Net profit margin (%)	11.12	1.50
*Return on total assets (%)	4.19	0.10
*Inventory / Revenue x365/90	79 days	126 days
*Accounts receivable/ Revenue x365/90	100 days	164 days
*Revenue / Total assets	0.38	0.07
*Cost of sales / Revenue	0.78	0.83

**FINANCIAL COMMENTS**

**PROFITABILITY: AVERAGE**

The revenue of SC appears fairly good in its line.  
SC's net profit margin is average.  
SC's return on total assets is average.  
SC's cost of goods sold is average, comparing with its revenue.

**LIQUIDITY: AVERAGE**

The current ratio of SC is maintained in a normal level.  
SC's quick ratio is maintained in a fairly good level.  
The inventory of SC appears large.  
The accounts receivable of SC appears large.  
The short-term loans of SC appear average.  
SC's revenue is in a fair level, comparing with the size of its total assets.

**LEVERAGE: FAIRLY GOOD**

The debt ratio of SC is average.  
The risk for SC to go bankrupt is low.

**Overall financial condition of the SC: Stable.**

## **CONCLUSIONS**

SC is considered large-sized in its line with stable financial conditions. Taking into consideration of SC's general performance, reputation as well as market conditions.

***GUANGDONG DONGFANG PRECISION SCIENCE & TECHNOLOGY CO., LTD. - 521460***

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.05
UK Pound	1	INR 90.30
Euro	1	INR 80.54
CNY	1	INR 10.14

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	DIV
<b>Report Prepared by :</b>	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)