

MIRA INFORM REPORT

Report No. :	522111
Report Date :	25.07.2018

IDENTIFICATION DETAILS

Name :	ZHEJIANG DILONG CULTURE DEVELOPMENT CO., LTD.
Formerly Known As :	ZHEJIANG DILONG NEW MATERIAL CO., LTD.
Registered Office :	No. 1958 Huan Nan Road, Linglong Industrial Zone, Linglong Street, Lin'An City, Zhejiang Province 311301 PR
Country :	China
Financials (as on) :	30.09.2017 [Consolidated]
Date of Incorporation :	18.01.2000
Unified Social Credit Code :	91330000729092173R
Legal Form :	Shares Limited Company
Line of Business :	Subject registered business scope includes cultural entertainment industry investment, industry investment, investment management, manufacturing and selling printing decorative paper, plastic film impregnated decorative paper, edge banding strip, metal decorative panel, decorative aluminum plate, anodic alumina coil, melamine board, decorative material printing, selling decorating materials; and import & export business.
No. of Employees :	1,674

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+	Low Risk	Business dealings permissible with low risk of default

Status :	Good
Payment Behaviour :	Regular

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Litigation :	Clear
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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)
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

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

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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

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COMPANY NAME AND ADDRESS

COMPANY NAME Zhejiang Dilong Culture Development Co., Ltd.
(Former Name: Zhejiang Dilong New Material Co., Ltd.)
CURRENT ADDRESS/ REGISTERED ADDRESS No. 1958 Huan Nan Road, Linglong Industrial Zone, Linglong Street,
Lin'An City, Zhejiang Province 311301 PR China
TEL. NO. 86 (0) 571-63717320
FAX NO. 86 (0) 571-63721526

EXECUTIVE SUMMARY

DATE OF REGISTRATION : JANUARY 18, 2000
UNIFIED SOCIAL CREDIT CODE : 91330000729092173R
LEGAL FORM : SHARES LIMITED COMPANY
CHIEF EXECUTIVE : YU HAIFENG (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL : CNY 851,196,049
STAFF : 1,674
BUSINESS CATEGORY : MANUFACTURING & TRADING
REVENUE : CNY 1,970,962,000 (CONSOLIDATED, JAN. 1, 2017 TO SEP. 30, 2017)
EQUITIES : CNY 4,834,218,000 (CONSOLIDATED, AS OF SEP. 30, 2017)
WEBSITE : www.dilong.cc
E-MAIL : welcome@wanlishiye.com
PAYMENT : REGULAR
MARKET CONDITION : COMPETITIVE
FINANCIAL CONDITION : FAIRLY GOOD
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

Operational Trend:-	General Reputation:-
Upward	Excellent
Steady	Good
Fairly Steady	Fairly Good
Ordinary	Average
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: 91330000729092173R.

SC's Import and Export Enterprise Code: 3300729092173

SC's registered capital: CNY 851,196,049

Registration Change Record:-

Date	Change of Contents	Before the change	After the change
2010	Registered Capital	CNY 66,800,000	CNY 100,200,000
2013	Registered Capital	CNY 100,200,000	CNY 128,800,000
2014	Registered Capital	CNY 128,800,000	CNY 264,407,000
2015-3-12	Registered Capital	CNY 264,407,000	CNY 264,607,000
2015-11-12	Registration No./ Unified Social Credit Code	330100000030251	91330000729092173R
	Registered Capital	CNY 264,607,000	CNY 264,484,500
2016-5-19	Registered Capital	CNY 264,484,500	CNY 528,969,000
2016-6-3	Registered Capital	CNY 528,969,000	CNY 525,505,500
2016-7-28	Registered Capital	CNY 525,505,500	CNY 851,811,049
2016-9-13	Registered Capital	CNY 851,811,049	CNY 851,611,049
	Company Name	Zhejiang Dilong Material Co., Ltd.	New Zhejiang Dilong Culture Development Co., Ltd.
2017-10-26	Registered Capital	CNY 851,611,049	CNY 851,196,049
2018-1-2	Legal Representative	Jiang Feixiong	Yu Haifeng

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

Name of Shareholder (s) (As of December 18, 2017)	% of Shareholding
Yu Haifeng	15.32
Ningbo Lanzhong Tiandao Investment Management Co., Ltd.	9.4
Aixinjueluo Zhao Shan	6.24
Jiang Feixiong	4.34
Tianjin Zitian Enterprise Management Consulting Partnership Enterprise (Limited Partnership)	4.26
Hangzhou Zhixin Information Technology Co., Ltd.	3.47
Suzhou Juli Huying Investment Management Center (Limited Partnership)	3.31
Zhejiang Dilong Holding Co., Ltd.	3.28
Jiang Xiaowen	3.05
Jiang Chaoyang	3.05
Jiang Zugong	2.28
Other Shareholders	42

SC's Chief Executives:-

Position	Name
Legal Representative and Chairman	Yu Haifeng
General Manager	Bo Bin
Director	Xiong Xiaoping
	Liu Mengtao
	Xu Guobao
	Jiang Feixiong
	Lin Huichun
Supervisor	Chen Min
	Xu Min
	Du Xuefang

RECENT DEVELOPMENT

SC is a listed company in Shenzhen Stock Exchange Market with the code of 002247.

SHAREHOLDER CHART & BACKGROUND

Name (As of December 18, 2017)	% of Shareholding
Yu Haifeng	15.32
Ningbo Lanzhong Tiandao Investment Management Co., Ltd.	9.4

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Zhejiang Dilong Holding Co., Ltd.	3.28
Jiang Xiaowen	3.05
Jiang Chaoyang	3.05
Jiang Zugong	2.28
Other Shareholders	42

Zhejiang Dilong Holding Co., Ltd.

Unified Social Credit Code: 913301857996744353
Legal Form: Limited Liabilities Company
Registered Capital: CNY 20,000,000
Legal Representative: Jiang Feixiong

MANAGEMENT

Yu Haifeng, Legal Representative and Chairman

-
- Gender: M
 - Age: 46
 - Qualification: University
 - Working experience (s):

At present, working in SC as legal representative and chairman

Bo Bin, General Manager

-
- Gender: M
 - Working experience (s):

At present, working in SC as general manager

Director

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Xiong Xiaoping
Liu Mengtao
Xu Guobao
Jiang Feixiong
Lin Huichun

Supervisor

Chen Min
Xu Min
Du Xuefang

BUSINESS OPERATION

SC's registered business scope includes cultural entertainment industry investment, industry investment, investment management, manufacturing and selling printing decorative paper, plastic film impregnated decorative paper, edge banding strip, metal decorative panel, decorative aluminum plate, anodic alumina coil, melamine board, decorative material printing, selling decorating materials; and import & export business.

SC is mainly engaged in manufacturing and selling decorating materials.

Brand: Dilong

DILON 帝龙

SC's products mainly include:

Decorative paper
Impregnated paper
Decorative panels
Alumina



SC sources its materials 70% from domestic market, and 30% from overseas market. SC sells 80% of its products in domestic market, and 20% to overseas market, mainly U.S.A., etc.

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

Coveright Surfaces Canada Inc.
Intrade Consultants Inc.
China Jiangsutex Ny Inc.

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Arihant Enterprise
Manufacturas Terminadas S A Mantesa
Spacewood Furnishers Pltd

Staff & Office:

SC is known to have approx. 1,674 staff at present.

SC owns an area as its operating office & factory of approx. 160,000 sq. meters at the heading address.

RELATED COMPANY

Chengdu Dilong New Material Co., Ltd.

Unified Social Credit Code: 9151018468902065X1
Legal Form: One-person Limited Liabilities Company
Registered Capital: CNY 74,100,000
Legal Representative: Zhao Jinlong

Langfang Dilong New Material Co., Ltd.

Unified Social Credit Code: 91131001563210482B
Date of Registration: October 13, 2010
Legal Form: One-person Limited Liabilities Company
Registered Capital: CNY 90,520,000
Legal Representative: Chen Zhijian

SC is known to have the following subsidiaries:

Suzhou Meishengyuan Information Technology Co., Ltd.

Unified Social Credit Code: 913205070831522798
Date of Registration: November 15, 2013
Legal Form: One-person Limited Liabilities Company
Registered Capital: CNY 22,000,000
Legal Representative: Yu Haifeng

Zhejiang Dilong Equity Investment & Fund Management Co., Ltd.

Unified Social Credit Code: 91330185MA27YM803M
Date of Registration: September 21, 2016
Legal Form: One-person Limited Liabilities Company
Registered Capital: CNY 100,000,000
Legal Representative: Jiang Feixiong

PAYMENT

Overall payment appraisal:

() Excellent () Good (X) 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 did not provide any name of trade/service suppliers and we have no other sources to conduct the enquiry at present.

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:

Shanghai Pudong Development Bank Hangzhou Lin'an Sub-branch

AC#: 95080158000000071

FINANCIALS

Consolidated Balance Sheet

Unit: CNY'000

	As of Dec. 31, 2015	As of Dec. 31, 2016	As of Sep. 30, 2017
Cash	87,898	296,285	145,091
Notes receivable	48,312	43,320	11,309
Accounts receivable	123,033	537,062	1,191,596
Advances to suppliers	12,561	27,764	153,401
Interest receivable	0	0	0
Other receivable	1,616	1,569	2,847
Inventory	112,158	105,354	131,279
Other current assets	491,230	404,332	326,036
	-----	-----	-----
Current assets	876,808	1,415,686	1,961,559
Long-term receivables	0	0	0
Investment real estate	45,258	5,995	5,848
Long-term equity investment	0	1,953	8,805
Fixed assets	309,580	309,461	337,386
Construction in progress	14,528	34,576	17,305

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Intangible assets	74,358	142,067	147,398
Goodwill	0	3,042,527	3,042,527
Long-term prepaid expenses	1,171	810	727
Deferred income tax assets	12,096	26,422	14,846
Other non-current assets	0	0	8,000
	-----	-----	-----
Total assets	1,333,799	4,987,497	5,544,401
	=====	=====	=====
Short-term loans	0	0	40,000
Notes payable	48,467	83,029	114,744
Accounts payable	110,414	209,635	432,104
Advances from clients	7,584	20,311	33,465
Payroll payable	29,419	39,138	33,497
Tax payable	16,161	23,234	35,092
Interest payable	0	0	0
Dividends payable	0	1,039	857
Other payable	2,384	5,388	5,072
Other current liabilities	3,303	10,135	4,898
	-----	-----	-----
Current liabilities	217,732	391,909	699,729
Non-current liabilities	36,144	10,955	10,454
	-----	-----	-----
Total liabilities	253,876	402,864	710,183
Equities	1,079,923	4,584,633	4,834,218
	-----	-----	-----
Total liabilities & equities	1,333,799	4,987,497	5,544,401
	=====	=====	=====

Consolidated Income Statement

Unit: CNY'000	As of Dec. 31, 2015	As of Dec. 31, 2016	Jan. 1, 2017 to Sep. 30, 2017
Revenue	895,181	1,650,071	1,970,962
Cost of sales	681,040	1,134,354	1,431,180
Sales expense	39,577	63,108	56,184
Management expense	93,919	109,388	80,604
Finance expense	-2,145	-1,419	499
Investment income	17,895	11,105	19,933
Non-operating income	15,710	72,225	11,926
Non-operating expense	3,777	6,291	3,033
Profit before tax	98,716	394,255	388,025
Less: profit tax	12,305	14,389	49,587
Profits	86,411	379,866	338,438

Important Ratios

=====	As of Dec. 31, 2015	As of Dec. 31, 2016	As of Sep. 30, 2017
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*Current ratio	4.03	3.61	2.80
*Quick ratio	3.51	3.34	2.62
*Liabilities to assets	0.19	0.08	0.13
*Net profit margin (%)	9.65	23.02	17.17
*Return on total assets (%)	6.48	7.62	6.10
*Inventory / Revenue x365/270	46 days	24 days	18 days
*Accounts receivable / Revenue x365/270	51 days	119 days	164 days
*Revenue / Total assets	0.67	0.33	0.36
*Cost of sales / Revenue	0.76	0.69	0.73

FINANCIAL COMMENTS

PROFITABILITY: FAIRLY GOOD

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

LIQUIDITY: FAIRLY GOOD

- The current ratio of SC is maintained in a fairly good level.
- SC's quick ratio is maintained in a fairly good level.
- The inventory of SC appears average.
- The accounts receivable of SC appears large.
- The short-term loans of SC appear small.
- 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 low.
- The risk for SC to go bankrupt is low.

Overall financial condition of the SC: Fairly Good.

CONCLUSIONS

SC is considered large-sized in its line with fairly good financial conditions.

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 10.17

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

INFORMATION DETAILS

Analysis Done by :	-PRA
Report Prepared by :	SYL

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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)