

## MIRA INFORM REPORT

Report No. :	523737
Report Date :	14.08.2018

### IDENTIFICATION DETAILS

Name :	P.T. ADIKENCANA MAHKOTABUANA
Registered Office :	Jl. Raya Palur, Sragen Km. 13,5 Waru, Kebakkramat, Karanganyar Sragen, Central Java
Country :	Indonesia
Date of Incorporation :	1977
Com. Reg. No.:	AHU-0015274.AH.01.02.Tahun 2018
Legal Form :	Limited Liability Company
Line of Business :	Spinning Mills Industry
No. of Employees :	950

### RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> 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 :	Slow but Correct
Litigation :	Clear

#### 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

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Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Indonesia	A2	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

**INDONESIA - ECONOMIC OVERVIEW**

Indonesia, the largest economy in Southeast Asia, has seen a slowdown in growth since 2012, mostly due to the end of the commodities export boom. During the global financial crisis, Indonesia outperformed its regional neighbors and joined China and India as the only G20 members posting growth. Indonesia's annual budget deficit is capped at 3% of GDP, and the Government of Indonesia lowered its debt-to-GDP ratio from a peak of 100% shortly after the Asian financial crisis in 1999 to 34% today. In May 2017 Standard & Poor's became the last major ratings agency to upgrade Indonesia's sovereign credit rating to investment grade.

Indonesia still struggles with poverty and unemployment, inadequate infrastructure, corruption, a complex regulatory environment, and unequal resource distribution among its regions. President Joko WIDODO - elected in July 2014 – seeks to develop Indonesia's maritime resources and pursue other infrastructure development, including significantly increasing its electrical power generation capacity. Fuel subsidies were significantly reduced in early 2015, a move which has helped the government redirect its spending to development priorities. Indonesia, with the nine other ASEAN members, will continue to move towards participation in the ASEAN Economic Community, though full implementation of economic integration has not yet materialized.

Source : CIA

## **COMPANY SUMMERY**

**Name of Company :**

**P.T. ADIKENCANA MAHKOTABUANA**

**Address :**

**Head Office & Factory**

Jl. Raya Palur, Sragen Km. 13,5  
Waru, Kebakkramat, Karanganyar  
Sragen, Central Java  
Indonesia

Phones - (62-271) 827 272 (hunting)  
Fax. - (62-271) 827 273  
Land area - 53 hectares  
Factory space - 28 hectares  
Region - Industrial Zone  
Status - Owned

**Jakarta Office**

Jl. K.H. Wahid Hasyim No. 147  
Jakarta 10240  
Indonesia

Phones - (62-21) 3100995, 3100996, 3106213  
Fax - (62-21) 3803276

**Surabaya Office**

Jl. Slompretan No. 117  
Surabaya  
Indonesia

Phone - (62-31) 3520117  
Fax - (62-31) 3552515

**Date of Incorporation :**

24 July 1995

**Legal Form :**

P.T. (Perseroan Terbatas) or Limited Liability Company

**Company Reg. No. :**

**The Ministry of Justice and Human Rights**

- a. No. C2-1.258.HT.01.01.TH.96  
Dated 01 February 1996
- b. No. AHU-71694.AH.01.02.Tahun 2008  
Dated 09 October 2008
- c. No. AHU-AH.01.10-11161  
Dated 23 July 2009
- d. No. AHU-AH.01.03-0930710  
Dated 08 May 2015

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e. No. AHU-0015274.AH.01.02.Tahun 2018  
Dated 27 July 2018

**Company Status :**

Domestic Investment Company (PMDN)

**Permits by the Government Department :**

a. The Department of Finance

NPWP No. 01.705.550.0-528.000

b. The Capital Investment Coordinating Board

No. 24/I/PMDN/1995

Dated 04 January 1995

**Related/Affiliated Companies :**

- a. P.T. SRI REJEKI ISMAN or SRITEX (Integrated Textile Industry)
- b. P.T. GOLDEN TOTAL NUSANTARA (Trading and Contracting Services)
- c. P.T. DJOHARTEX (Textile Industry)
- d. P.T. SRI WAHANA REJEKI (General Trading)
- e. P.T. JOGJATEX (Textile Industry)
- f. P.T. RAYON UTAMA MAKMUR (Spinning Mills Industry)
- g. P.T. KAPAS AGUNG ABADI (Investment Holding)

## **CAPITAL AND OWNERSHIP**

**Capital Structure :**

Authorized Capital - Rp. 880,000,000,000.-  
Issued Capital - Rp. 220,000,000,000.-  
Paid up Capital - Rp. 220,000,000,000.-

**Shareholders/Owners :**

- a. **P.T. KAPAS AGUNG ABADI** - Rp. 211,000,000,000.- (95.91%)  
Jl. Slamet Riyadi No. 392  
Purwosari, Laweyan, Surakarta  
Central Java
- b. **Mr. Iwan Kurniawan Lukminto** - Rp. 6,000,000,000.- ( 2.73%)  
Jl. Dr. Rajiman No. 328  
Sriwedari, Laweyan, Surakarta  
Central Java
- c. **Mr. Aidy Hartono AKA Tan Tho Liong** - Rp. 1,500,000,000.- ( 0.68%)  
Jl. Ir. H. Juanda No. 171  
Jagalan, Jebres, Surakarta  
Central Java
- d. **Mrs. Tanti Yinika Dewi AKA Chen Tay Yin** - Rp. 1,500,000,000.- ( 0.68%)  
Jl. Ir. H. Juanda No. 171  
Jagalan, Jebres, Surakarta  
Central Java

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## **BUSINESS ACTIVITIES**

**Lines of Business :**

Spinning Mills Industry

**Production Capacity :**

Weaved (Rayon) Yarn - 27,000 bales per annum

**Total Investment :**

- a. Equity Capital - Rp. 220.0 billion
- b. Loan Capital - Rp. 0.0 billion
- c. Total Investment - Rp. 220.0 billion

**Started Operation :**

1 9 7 7

**Number of Employee :**

950 persons

**Marketing Area :**

Domestic (Local) - 100%

**Main Customers :**

- a. P.T. Sri Rejeki Isman and Sritex Group of Companies
- b. P.T. Senag Kharisma Textile
- c. P.T. Adetex Banjara
- d. Etc.

**Market Situation :**

Very Competitive

**Main Competitors :**

- a. PT. Delta Merlin Sandang Textile
- b. PT. Pan Brothers Tex Tbk
- c. P.T. Dawai Indah Adi
- d. P.T. Djonitextindo
- e. P.T. Golden Tatex Indonesia
- f. P.T. Maligi Spinning Mills

**Business Trend :**

Growing

## **BANKER, AUDITOR & LITIGATION**

**Bankers :**

- a. P.T. Bank CENTRAL ASIA Tbk

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Jl. Brigjen Slamet Riyadi No. 7  
Solo, Central Java  
Indonesia

b. P.T. Bank MANDIRI Tbk  
Jl. Brigjen Slamet Riyadi No. 329  
Solo, Central Java  
Indonesia

**Auditor :**  
Internal Auditor

**Litigation :**  
No litigation record in our database

## ***FINANCIAL FIGURE***

**Annual Sales (estimated) :**

2013 – Rp. 560.0 billion  
2014 – Rp. 596.0 billion  
2015 – Rp. 637.0 billion  
2016 – Rp. 690.0 billion  
2017 – Rp. 780.0 billion

**Net Profit (Loss) :**

2013 – Rp. 24.8 billion  
2014 – Rp. 26.4 billion  
2015 – Rp. 28.2 billion  
2016 – Rp. 30.5 billion  
2017 – Rp. 34.4 billion

**Payment Manner :**

Slow but Correct

**Financial Comments :**

Fairly

## ***KEY EXECUTIVES***

**Board of Management :**

President Director - Mr. Aidy Hartono AKA Tan Tho Liong  
Director - Mrs. Imeke Djianto

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**Board of Commissioner :**

President Commissioner - Mrs. Megawati  
Commissioner - Mrs. Mira Christina Setiady

**Signatories :**

President Directors (Mr. Aidy Hartono AKA Tan Tho Liong) or Director (Mrs. Imeke Djianto) which must be approved by Board of Commissioners (Mrs. Megawati or Mrs. Mira Christina Setiady)

## ***CAPABILITIES***

**Management Capability :**

Good

**Business Morality :**

Good

## ***OVERALL PERFORMANCE***

PT. ADIKENCANA MAHKOTABUANA (P.T. AM), was established in Karanganyar, Central Java, based on Notary Deed No. 101 dated July 24, 1995 drawn up by Tjondro Santoso, SH., notary in Surakarta with the authorized capital of Rp 100,000,000,000,- of which Rp 30,000,000,000,- was issued and fully paid up. The founding shareholders of the company are the late Mr. Haji Muhammad Lukminto (90%) and Mr. Drs. Sutjipto (10%), both are Indonesian entrepreneurs of Chinese extraction. This Deed of Establishment was approved by the Minister of Justice and Human Rights of Republic of Indonesia through its Decision Letter No. C2-1.258.HT.01.01.TH.96 dated February 1, 1996.

The articles of association of the company have frequently been revised. In 2009 based on Notary Deed No. 17 dated July 9, 2009 drawn up by Notary Vinsensius Henry, SH., the company's board of director and board of commissioner had been changed. Since at the time, the shareholders of the company are PT. KAPAS AGUNG ABADI (70%), Mr. Iwan Kurniawan Lukminto (20%), Mr. Aidy Hartono AKA Tan Tho Liong (5%) and Mrs. Tanti Yinika Dewi AKA Chen Tay Yin (5%). The amendment to Deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia through its Decree No. AHU-AH.01.10-11161 dated July 23, 2009.

In 2016 based on Deed No. 64 dated May 08, 2016 drawn up by Herry Hartanto Seputro, SH., concerning the change in composition of the Company's board of Directors and Commissioners. The amendment to Deed has been approved by the Minister of Law and Human Rights of the Republic of Indonesia through its Decree No. AHU-AH.01.03-0930710 dated May 8, 2015. Most recently by Notary Deed of Aisyah Ratu Juliana Siregar, SH., No. 21 dated June 29, 2018, the authorized capital was raised to Rp. 880,000,000,000,- of which Rp. 220,000,000,000,- was issued and paid up. Since then, the shareholders of the company are P.T. KAPAS AGUNG ABADI (95.91%), Mr. Iwan Kurniawan Lukminto (2.73%), Mr. Aidy Hartono AKA Tan Tho Liong (0.68%) and Mrs. Tanti Yinika Dewi AKA Chen Tay Yin (0.68%). This amendment to Deed has been approved by the Minister of Law and Human Rights of the Republic of Indonesia through its Decree No. AHU-0015274.AH.01.02.Tahun 2018 dated July 27, 2018.

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P.T. AM has been in operation under Domestic Investment (PMDN) facilities issued by the Investment Coordinating Board (BKPM) in spinning mills industry with its plant located at Jalan Raya Palur, Sragen Km. 13, 5, Waru, Karanganyar, Sragen, Central Java, where it stands on a 53.0 hectare land area. The plant has been operating since 1977 and it was frequently expanded. At the plant has a production capacity of 27,000 bales of weaved (rayon) yarns per annum. Ms. Erna Juliani, an administrative staff of the company explained that P.T. AM's realized production has now already reached 80% to 90% of its installed capacity. The company's production is entirely marketed in the country, particularly in the SRITEX Group of company members and other textile industries such as P.T. SENANG KHARISMA TEXTILE in Central Java and P.T. ADETEX BANJARAN in Bandung, West Java. We observed that P.T. AM is classified as a medium-sized company of its kind in the country of which the operation has been fluctuating in the last five years.

Generally, demand for textile and textile product including cotton yarn, polyester textured yarn, finished fabrics, garment, textile chemicals and raw materials has been fluctuating in the last five years. According to the Central Bureau of Statistics (BPS) the Indonesia textile products export in 2002 amounted to 1,425.9 tons (US\$ 3,075.9 million) to 1,307.5 tons (US\$ 3,064.6 million) in 2003 to 1,300.4 tons (US\$ 3,354.6 million) in 2004 to 1,427.3 tons (US\$ 3,704.0 million) in 2005 to 1,477.800 tons (US\$ 3,908.6 million) in 2006 to 1,473.6 tons (US\$ 4,178.0 million) in 2007 declined to 1,312,200 tons (US\$ 4,127.9 million) in 2008 to 1,369,600 tons (US\$ 3,602.8 million) in 2009 to 1,525,900 tons (US\$ 4,721.8 million) in 2010 declined to 1,493,300 tons (US\$ 5,563.3 million) in 2011 rose again to 1,508,500 tons (US\$ 5,278.1 million) in 2012 to 1,633.1 thousand tons (US\$ 5,293.6 million) in 2013 and to 1,815.6 thousand tons (US\$ 5,379.9 million) in 2014 and dropped to 1,481.7 thousand tons (US\$ 4,415.0 million) in 2015 and rose again to 1,563.9 thousand tons (US\$ 4,660.0 million) in 2016. The export volume and value of the national TPT products in 2002 to 2016 are pictured on the following table.

Year	Textile Products		Garment	
	(Thousand Ton)	(US\$ Million)	(Thousand Ton)	(US\$ Million)
2002	1,425.9	3,075.9	333.1	3,887.2
2003	1,307.5	3,064.6	339.9	4,037.9
2004	1,300.4	3,354.6	327.3	4,351.9
2005	1,427.3	3,704.0	369.5	4,967.0
2006	1,477.8	3,908.6	399.6	5,608.1
2007	1,473.6	4,178.0	399.8	5,712.9
2008	1,312.2	4,127.9	417.6	6,092.2
2009	1,369.6	3,602.8	393.4	5,735.6
2010	1,525.9	4,721.8	445.2	6,598.0
2011	1,493.3	5,563.3	450.9	7,801.5
2012	1,508.5	5,278.1	450.2	7,304.8
2013	1,633.1	5,293.6	470.2	7,501.0
2014	1,815.6	5,379.9	463.9	7,450.9
2015	1,481.7	4,415.0	378.6	6,410.9
2016	1,563.9	4,660.0	425.9	7,212.6

Until this time P.T. AM has not been registered with Indonesian Stock Exchange, so that they shall not obliged to announce their financial statement. Therefore, the company has no obligation to publish financial statement publicly. We have checked to Department of Trade and Industry and found that no financial statement has been reported. P.T. AM's management is very reclusive to outsider and rejecting to disclose its financial condition but we estimated the total sales turnover of the company in 2015 amounted to Rp. 637.0 billion increased to Rp. 690.0 billion in 2016 and rose again to Rp. 780.0 billion in 2017. The operation in 2017 yielded a net profit at least Rp. 34.4 billion and the company has a total net worth of Rp. 395.0 billion. It is projected that total sales turnover of the company will increase at least 8% in 2018. So far we did not hear that P.T. AM has been black

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***P.T. ADIKENCANA MAHKOTABUANA - 523737***

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listed by Bank Indonesia (Central Bank) or having detrimental cases being settled in local district court. The company usually pays its debts punctually to suppliers.

P.T. AM's management is headed by Mr. Aidy Hartono AKA Tan Tho Liong (75) as president director and CEO of the company. He is a businessman with more than 39 years of experience in textile industry and trading. In daily activities, he is assisted by Mrs. Imeke Djianto (48) as director. But we observed that the prime-mover of the Company is Mr. Iwan Kurniawan Lukminto AKA Wawan (35), a son of the late Mr. H. Muhammad Lukminto, the founder of the SRITEX Group. The Lukminto family has a good reputation in industry and trading of textile products. The management has wide relation with overseas and national private businessmen as well as with the government sectors. We have never heard of the management of the company having been involved in business malpractice.

P.T. ADIKENCANA MAHKOTABUANA is sufficiently fairly good for business transaction. However, in view of the political situation in the country is warming we recommend to treat prudently in extending a loan to the company.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.47
UK Pound	1	INR 88.63
Euro	1	INR 79.19
IDR	1	INR 0.0048

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	NIS
<b>Report Prepared by :</b>	TRU

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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)