

MIRA INFORM REPORT

Report No. :	525105
Report Date :	28.08.2018

IDENTIFICATION DETAILS

Name :	PT. DELTA DUNIA SANDANG TEKSTIL
Registered Office :	Jl. Raya Semarang - Demak KM 14 Kelurahan Tambakroto, Kecamatan Sayung Kab. Demak 59563 Jawa Tengah
Country :	Indonesia
Date of Incorporation :	14.01.2003
Legal Form :	Private Limited Liability Company
Line of Business :	<ul style="list-style-type: none"> • Manufacture of textiles • Preparation and spinning of textile fibres
No. of Employees :	4500

RATING & COMMENTS

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

MIRA's Rating : A

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 while quoting report number, name and date.

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ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
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 IDENTIFICATION

Company Name PT. Delta Dunia Sandang Tekstil
Address Jl. Raya Semarang - Demak KM 14
Kelurahan Tambakroto, Kecamatan Sayung
Kab. Demak 59563
Jawa Tengah - Indonesia
Telephone +62246514232, +62246514235
Fax +62271827229
Mobile Phone N.A.
Email duniatex@gmail.com
Web www.duniatex.com

PROFILE

Address Jl. Raya Semarang - Demak KM 14
Kelurahan Tambakroto, Kecamatan Sayung
Kab. Demak 59563
Jawa Tengah - Indonesia
Office Building a. Area - Commercial
b. Status - Owned
Date Of Establishment - 14 January 2003
Start Operation 2003
Legal Status Private Limited Liability Company or Perseroan Terbatas (PT)
Legalization (historical) No. C-04348 HT.01.01.TH.2003
Dated, 28 February 2003
No. AHU-12235.AH.01.02.Tahun 2009
Dated, 13 April 2009
No. AHU-23727.AH.01.02.Tahun 2010
Dated, 10 May 2010
No. AHU- AH.01.10-10033
Dated, 11 March 2014
No. AHU-18702.40.22.2014
Dated, 10 July 2014
No. AHU-AH.01.03-0194284
Dated, 24 November 2017
No. AHU-AH.01.03-0194285

Dated, 24 November 2017

Government Permit (s)

Kementerian Perdagangan
TDP - 283315100120
Dated, 21 April 2004

Kementrian Perdagangan
SIUP - 503.11.1/01836/III/2013
Dated, 08 March 2018

Direktorat Jenderal Pajak
NPWP - 02.304.213.8-515.000

Significant change

The Company was established in Karanganyar-Central Java on January 14, 2003, with the authorized capital of IDR 1,000,000 million –of which IDR 250,000 million was issued and paid up by Mr. Sumitro (80.00%) and Mrs. Susana John Setiawan (20%).
On December 26, 2008, the Company published a notarial act. As written on the act, shareholders of the Company changed, to consist of Mr. Sumitro (80.00%), Mrs. Susana John Setiawan (19.98%), and Mrs. Indriati (0.02%).
On February 18, 2014, the Company published a notarial act. As written on the act, issued and paid-up capital of the Company was increased to IDR 900,000 million. Meanwhile, shareholder structure of the Company changed, to consist of Mr. Sumitro (50.006%), Ms. Susana John Setiawan (5.550%), PT. Dunia Setia Sandang Asli Tekstil (22.222%) and PT. Delta Dunia Tekstil (22.222%).
On July 3, 2014, notarial act of the Company was changing, yet not affecting to the Company's capitalization and shareholder structure.
On November 4, 2017, notarial act of the Company was changing, yet not affecting to the Company's capitalization and shareholder structure.
As far as our knowledge, up to the completion of this report, there is no more change in the Company's capitalization and shareholder structure.

Capitalization

- Authorized Capital	IDR 1,000,000,000,000
- Issued Capital	IDR 900,000,000,000
- Paid up Capital	IDR 900,000,000,000

SHAREHOLDERS & MANAGEMENT

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Shareholders	Total No. of Shareholders: 4 Shareholders as 24 November 2017 Total Shareholding private - 900,000 shares
Name of Shareholders	- Mr. Sumitro (450,050 shares) - 50.006% - Ms. Susana John Setiawan (49,950 shares) - 5.550% - PT. Dunia Setia Sandang Asli Tekstil (200,000 shares) - 22.222% - PT. Delta Dunia Tekstil (200,000 shares) - 22.222%
Management Board	
Name	Mr. Yohanes Hendrawan
Position	President Director
Nationality	Indonesian
Name	Mr. Budi Santoso
Position	Director
Nationality	Indonesian
Supervisory Board	
Name	Mr. Tan Saun Hwa
Position	Commissioner
Nationality	Indonesian
Name	Mr. Gideon Haryanto
Position	Commissioner
Nationality	Indonesian
Management Assessment	Management of the Company is quite professional in the business. Yet, based on our search, we found that Director of the Company was being sued by several ex-employees, regarding unilateral dismissal case No. Perkara 26/PHI/2015/PN Smg dated April 6, 2015. Status of the case is now under an appeal phase. Meanwhile, few years ago, owner of the Company namely Mr. Sumitro was put on the wanted list (DPO) by the police, regarding a case of property right over yarn design against PT. Sritex Tbk. In March 2013, however, the DPO status of Mr. Sumitro was revoked by the police.
Authorized Signatories	Mr. Yohanes Hendrawan as President Director or Mr. Budi Santoso as Director which must be approved by shareholders' meeting.
Affiliate (s) / Associate (s)	- Duniatex Group (Unlimited Company) - PT. Delta Dunia Tekstil

- (Activities of Holding Companies)
- PT. Delta Merlin Sandang Tekstil
(Preparation and spinning of textile fibres)
 - PT. Dunia Sandang Abadi Textile
(Manufacture of made-up textile articles, except apparel)
 - PT. Dunia Setia Sandang Asli Textile
(Finishing of textiles)
 - PT. Damaitex
(Weaving of textiles)
 - PT. I cra Indonesia
(Activities of credit bureaus)

KEY DATA ON OPERATIONS

Registered Activities	SIC Code 13	: Manufacture of textiles
Employee	Per 2017	4500
	Per 2018	4500
Bussiness Category	SIC Code 13.1	: Preparation and spinning of textile fibres
Line of Business	SIC Code 13.10	: Preparation and spinning of textile fibres
Product & Capacity	<ul style="list-style-type: none"> - Spinning - 300,000 balls p.a. - Grey Fabrics - 150,000,000 Meters per p.a 	
Status of Investment	Non-facilities based Company	
Sales Territory	Local	65%
	International	35%
Main Items And Country Origin	Imported	<ul style="list-style-type: none"> - Cotton - USA - Cotton - Brazil - Cotton - India - Cotton - Tanzania - Polyester - China
Main Items And Country Destination	Exported	<ul style="list-style-type: none"> - Textile - Brazil - Textile - Egypt - Textile - Vietnam - Textile - India
Major Customers	<ul style="list-style-type: none"> - Buyers in Egypt - PT. Surya Tunggal Busana - PT. Bitratex Industries - Buyers in Brazil 	

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Major Suppliers	<ul style="list-style-type: none">- Buyers in Vietnam- Poly Chem Imp Exp Co., of India- Nimish Syntex of India- Loyal Textile Mills Limited of India- Principal in USA- Principle in Brazil- Principle in China- Principle in Tanzania
Terms of Payment	<p>Purchase Payment</p> <p>Domestic : Telegraphic Transfer (T.T) with Credit Term</p> <p>Overseas : Telegraphic Transfer (T.T.) and Letter of Credit (L/C)</p> <p>Sale Term</p> <p>Domestic : Telegraphic Transfer (T.T) with Credit Term</p> <p>Overseas : Telegraphic Transfer (T.T.) and Letter of Credit (L/C)</p>
Activity Comment	<p>PT. Delta Dunia Sandang Tekstil (the Company) is a non-facilities based company that is engaged in textile industry. The Company started the operation in 2003. Head office and registered address, and factory of the Company are located at Jl. Raya Semarang - Demak KM 14, Kelurahan Tambakroto, Kecamatan Sayung, Kab. Demak 59563, Jawa Tengah - Indonesia. We believe that this location is owned by the Company.</p> <p>As information, address of factories of several affiliations of the Company such as PT. Delta Merlin Sandang Tekstil, and PT. Dunia Setia Sandang Asli Tekstil, are located at Jl. Raya Palur KM 7,1, Kab. Karanganyar, Jawa Tengah - Indonesia.</p> <p>The Company is an export-oriented textile company. The Company becomes a member of Duniatex Group, with focus on yarn production.</p> <p>Based on the collected information, we estimate that the Company has annual capacity to produce: 300,000 balls of Spinning, and 150 million meters of Grey Fabrics.</p> <p>In 2010, the Company only owned 2 Units of line. Meanwhile, since 2016, the Company owns 6 units of line.</p> <p>For producing its products, the Company uses cotton materials, which are now mostly imported from India, USA, Brazil and Tanzania. One of suppliers of the materials is Loyal Textile Mills Limited. Based on our source, cottons from India are quite strong, compared to cottons from other countries that are relatively whiter and packaged better. In addition, the Company also uses polyester materials from China. Meanwhile for the need of staple fiber, the Company obtains 90% of the materials from PT. South Pacific Viscose.</p> <p>The Company's yarns and textile material products are marketed</p>

under the licensed brand of Duniatex Group. The products are already acknowledged by customers. This is the reason why the Company is exporting some 65% of its products directly to customers in many countries of the world, especially now mostly to the Egypt, and followed by Brazil, Vietnam and India. Some of overseas customers of the Company in the export market are, among other, Poly Chem Imp Exp Co., of India and Nimish Syntex of India.

Meanwhile, the remaining 35% of its products are marketed in the domestic market, with some of local customers of the Company are, among other, PT. Surya Tunggal Busana, PT. Bitratex Industries, and others.

Related to payment, so far, there are no significant payment problems either from the customers or to the suppliers.

In performance, the Company sales relatively improving until this 2018 amid the sluggish condition of global economy, include the increasing cost of production. As explained by our source, currently, from the market demand in the overseas, the Company exports the yarns and textile material products ranging from 5 - 17 containers per day, which each containers is loaded by 24 tons per container (40 feet size). The daily export number is an increased, if compared to last year in 2017.

In addition, the Company has received ISO 9001:2000 certification. Here, the Company received the ISO after implementing sophisticated production technology and modern facilities for producing high quality products with efficient cost and on time delivery to customers.

The Company is now supported by approximately 4,500 employees who mostly are factory labors. The factory labors work under a working shift system, with 6 working days per week. They work 8 hours per day or 40 hours per week, with a day off, not always Sunday.

Litigation

Based on media mass, in 2013 and 2014, the Company was frequently protested by employees. As a labor-intensive company, actually, it is quite normal for the Company to often face protests from its labors. So far, however, the protests are not affecting the Company operation.

Nonetheless, at the time of writing this report, this Company has not been involved in any criminal or civil cases. This statement is a result of searches conducted at the State Court, where the Company was established and operates today.

Sources

Ms. Tanujaya (Export Manager, contacted on August 24, 2018)

Factory and Registered Address

Jl. Raya Semarang - Demak KM 14
Kelurahan Tambakroto, Kecamatan Sayung
Kab. Demak 59563
Jawa Tengah - Indonesia

Phone : +62246514231, +62246514233
Fax : N.A.
Email : N.A.

Affiliate's Address

Jl. Raya Palur KM 7,1
Kelurahan Malanggaten, Kecamatan Kebakkramat
Kab. Karanganyar 57762
Jawa Tengah - Indonesia
Phone : +62271821110, +62271825251
Fax : +62271827229, +62271825954
Email : duniatex@gmail.com

BANKING INFORMATION

Banker (s) - PT. Bank Central Asia Tbk
- PT. Bank Mandiri (Persero) Tbk
- PT. Bank Permata Tbk
- PT. Bank CIMB Niaga Tbk

Insurance - Badan Penyelenggara Jaminan Sosial (BPJS)

BUSINESS PROSPECTS

Business Prospects

After experiencing negative growth in the past two years, the national textile and garment industry began to record a positive growth in 2017. Based on the data from Central Statistics Bureau, this export-oriented sector grew by 4.4% in Q3 2017.

This positive performance is, among other, as results of activities of a task force called as 'Task Force on Import of High-Risk Goods' (Satuan Tugas Penertiban Impor Barang Berisiko Tinggi), formed by the government. The other influencing factors are the implementation of the government's fiscal and non-fiscal policies through some economy deregulation packages to create a conducive investment climate for the sector. The policies include a provision of fiscal incentives, in the form of tax allowance and tax holiday.

Referring to some influencing factors shown above, PT. Visi Globalindo Data Utama predicts that in this year 2018, this textile and garment sector will grow by around 3%, with an average export growth of 11% per year. These figures could be even higher if the government can secure the stability of the national economy. It is a fact that the textile and garment industry is one of the priority sectors in the National Industrial Development Master Plan or Rencana Induk Pembangunan Industri Nasional (RIPIN) for the period 2015- 2035.

Based on the data shown above, we believe that the textile industry is still prospective in the future.

FINANCIAL STATEMENT

Sales Turn Over	- 2015 - IDR 1,096,750,000,000 (Estimated) - 2016 - IDR 1,130,000,000,000 (Estimated) - 2017 - IDR 1,186,500,000,000 (Estimated)
Total Assets	As the Company is not a publicly listed company, we are unable to give a detailed picture of the financial condition of the Company.
Other Financial Data	As the Company is not a publicly-listed company, we are unable to give a detailed picture of the financial condition of the Company.

CREDITWORTHINESS

Management Capability	Good
Business Morality	Adequate
Payment Manner	Slow but Correct
Financial Condition	Satisfactory
Operating Trend	Up
Conclusive remarks	<p>Based on the information shown above, we learned that the Company has been engaged in the spinning mill industry since 2003, with the products are marketed under the licensed brand of Duniatex Group, which are exported by some 65% to the overseas, especially now mostly to the Egypt, and followed by Brazil, Vietnam and India. The remaining 35% are marketed in the domestic market. The Company is a member of DUNIATEX Group, which is engaged in TPT industry in Indonesia and has vast experiences in the business.</p> <p>In performance, the Company's sales still relatively increasing until this 2018, especially from the export sales. Financially, the Company is able to manage its trade receivable or payable risk properly.</p> <p>Based on the information shown above, by looking at the textile and garment industry that has great potential to grow and develop, with an export target of 11% increase, we believe that the Company is quite prospective in the respective business, so we classify the Company's credit rating at Medium Risk.</p> <p>For security reason, then, we advise those wishing to cooperate with or grant loans to the Company to seek adequate collateral from the shareholders.</p>

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.04
UK Pound	1	INR 89.95
Euro	1	INR 81.30
IDR	1	INR 0.0048

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

INFORMATION DETAILS

Analysis Done by :	NIS
Report Prepared by :	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)