

MIRA INFORM REPORT

Report No. :	526494
Report Date :	30.08.2018

IDENTIFICATION DETAILS

Name :	P.T. DKSH INDONESIA
Formerly Known As :	<ul style="list-style-type: none"> • P.T. EDWARD KELLER INDONESIA • PT. COSATEC INDO
Registered Office :	Wisma Jaksa Tiga, Jl. Jaksa No. 3, Kebon Sirih, Jakarta Pusat 10340
Country :	Indonesia
Date of Incorporation :	02.10.1996
Com. Reg. No.:	AHU-AH.01.03-0221377
Legal Form :	P.T. (Perseroan Terbatas) or Limited Liability Company
Line of Business :	Trading, Importer and Distribution of Chemicals Raw Materials for Food and Beverage Industry, Personal Care Industry, Pharmaceutical Industry, Specialty Chemicals Industry and Textile Industry.
No. of Employees :	80

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	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	Slow but Correct
Litigation :	Clear

NOTES :

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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)
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 NAME AND ADDRESS

P.T. DKSH INDONESIA

Address :

Head Office

Wisma Jaksa Tiga

Jl. Jaksa No. 3, Kebon Sirih

Jakarta Pusat 10340

Indonesia

Phones - (62-21) 3192 4289 (hunting)

Fax - (62-21) 3192 4292

Building Area - 6 storey

Office Space - 180 sq. meters

Region - Commercial

Status - Rent

Branches

a. BizPark Blok A3 No. 2

Jl. Kopo No. 455

Bandung 40227, West Java

Indonesia

Phone - (62-22) 8888 6808

Fax - (62-22) 8888 6809

b. Ruko Bisnis

Jl. Honggowongso No. 12-G

Solo 57153, Central Java

Indonesia

Phone - (62-271) 668 319, 668 348

Fax - (62-271) 635 683

c. Gedung Graha Pena Jawa Post, 11th Floor

Jl. A. Yani No. 88

Surabaya 60234, East Java

Indonesia

Phone - (62-31) 8286 317

Fax - (62-31) 8286 318

COMPANY SUMMARY

Date of Incorporation :

a. 02 October 1996 as PT. COSATEC INDO

b. 31 March 1999 as P.T. EDWARD KELLER INDONESIA

c. 10 May 2005 as P.T. DKSH INDONESIA

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Legal Form :

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

Company Reg. No. :

The Ministry of Law and Human Rights

- a. No. C2-9095.HT.01.01.TH.97
Dated 08 September 1997
- b. No. C-14658.HT.01.04.TH.2005
Dated 30 May 2005
- c. No. AHU-32141.AH.01.02.Tahun 2008
Dated 11 June 2008
- d. No. AHU-55766.AH.01.02.Tahun 2013
Dated 01 November 2013
- e. No. AHU-AH.01.10-01969
Dated 17 January 2014
- f. No. AHU-0021659.AH.01.02.Tahun 2016
Dated 17 November 2016
- g. No. AHU-AH.01.03-0099792
Dated 17 November 2016
- h. No. AHU-AH.01.03-0221377
Dated 12 July 2018

Company Status :

Foreign Investment Company (PMA)

Permits by the Government Department :

a. The Department of Finance

NPWP No. 01.772.287.7-062.000

b. The Department of Industry and Trade

TDP No. 09.02.1.51.19423

Dated 25 July 2005

c. The Investment Coordinating Board

No. 27/V/PMA/1999

Dated 12 March 1999

Holding Companies :

- a. DKSH HOLDING AG., of Switzerland (Investment Holding)
- b. DKSH MANAGEMENT AG., of Switzerland (Investment Holding)

Affiliated/Associated Company :

A member of DKSH Group of Switzerland

CAPITAL AND OWNERSHIP

Capital Structure :

Authorized Capital	- Rp. 138,247,650,000.-
Issued Capital	- Rp. 138,247,650,000.-
Paid up Capital	- Rp. 138,247,650,000.-

Shareholders/Owners :

a. DKSH HOLDING AG	- Rp. 138,070,000,000.- (99.87%)
Address : Switzerland\	
b. DKSH MANAGEMENT AG.	- Rp. 150,000,000.- (0.11%)
Address : Switzerland	
c. P.T. KARYA CERIA SUKSES	- Rp. 27,650,000.- (0.02%)
Address : Jakarta, Indonesia	

BUSINESS ACTIVITIES

Lines of Business :

Trading, Importer and Distribution of Chemicals Raw Materials for Food and Beverage Industry, Personal Care Industry, Pharmaceutical Industry, Specialty Chemicals Industry and Textile Industry.

Production Capacity :

None

Total Investment :

Equity Capital - Rp. 60.0 billion

Started Operation :

1999

Brand Name :

DKSH INDONESIA

Technical Assistance :

DKSH HOLDING A.G., of Switzerland

Number of Employee :

80 persons

Marketing Area :

Domestic - 100%

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Main Customers :

- a. Food and Beverage Industries
- b. Personal Care Industries
- c. Pharmaceutical Industries
- d. Specialty Chemicals Industries
- e. Textile Industries

Market Situation :

Very Competitive

Main Competitors :

- a. PT. Cognis Indonesia
- b. PT. Masa Subur Sejahtera
- c. PT. Petrakemindo Pratama Mandiri

- d. PT. Surya Kejayan Jaya Farma
- e. PT. Tanduk Air Mas

Business Trend :

Growing

BANKER, AUDITOR & LITIGATION

Bankers :

- a. Hong Kong and Shanghai Banking Corp. Ltd.
World Trade Center
Jalan Jend. Sudirman Kav. 29-31
Jakarta Selatan
Indonesia

- b. P.T. Bank CENTRAL ASIA Tbk
Wisma BCA
Jalan Jend. Sudirman No. 22-23
Jakarta Selatan
Indonesia

Auditor :

Internal Auditor

Litigation :

No litigation record in our database

FINANCIAL FIGURE

Annual Sales (estimated) :

2013 – Rp. 127.0 billion
2014 – Rp. 148.0 billion
2015 – Rp. 162.0 billion
2016 – Rp. 170.0 billion
2017 – Rp. 198.0 billion

Net Profit (estimated) :

2013 – Rp. 5.6 billion
2014 – Rp. 6.5 billion
2015 – Rp. 7.2 billion
2016 – Rp. 7.6 billion
2017 – Rp. 8.9 billion

Payment Manner :

Slow but correct

Financial Comments :

Fairly

KEY EXECUTIVES

Board of Management :

President Director - Mr. Tay Lim Pin
Directors - a. Mr. Benoit Fissot
b. Mr. Victor Liew Wai Tuck

Board of Commissioners :

Commissioner - Mrs. Retno Palupi Dian Hariarti

Signatories :

President Director (Mr. Tay Lim Pin) or one of the Directors (Mr. Benoit Fissot or Mr. Victor Liew Wai Tuck) which must be approved by Board of Commissioner (Mrs. Retno Palupi Dian Hariarti)

CAPABILITIES

Management Capability :

Good

Business Morality :

Good

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OVERALL PERFORMANCE

Originally named P.T. COSATEC INDO, the company was established in Jakarta based on Notarial Deed of Sutjipto, SH., No. 19 dated October 2, 1996 with an authorized capital of Rp. 25,000,000 entirely was issued and paid up. The founding shareholders of the company are PT. PRIWAT JASARAYA (95%) and PT. USAHA SWAKARYA SATYA (5%), both are private companies. The Deed of establishment was approved by the Minister of Justice of the Republic Indonesia through its Decision Letter No. C2-9095 HT.01.01.TH.97 dated September 8, 1997. The articles of association of the company have frequently been revised. In March 1999, the company's name was changed to PT. EDWARD KELLER INDONESIA and changed its name again to P.T. DKSH INDONESIA on May 10, 2005. Concurrently, the founding shareholders pulled out and the whole shares are sold to DIETHELM KELLER Services Asia AG., of Switzerland (95%) and Mr. U Thein Win of Singapore (5%), both of Switzerland.

On April 2008, the authorized capital was raised to Rp. 3,000,000,000.- entirely was issued and fully paid up. Since that time, shareholders of the company are DKSH HOLDINGS AG., (95%) and DKSH MANAGEMENT AG., (5%), both are of Switzerland. The amendment to Deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia through its Decision Letter No. AHU-32141.AH.01.02.Tahun 2008 dated June 11, 2008. In December 2013 based on Notary Deed No. 13 dated December 17, 2013 was made by Notary Siti Safarijah, SH., the issued capital was raised to Rp. 60,000,000,000.- of which Rp. 58,328,000,000.- was issued and fully paid up. Since then, the shareholders of the company are DKSH HOLDING AG (99.74%) and DKSH MANAGEMENT AG (0.26%). The amendment to Deed has been approved by the Minister of Law and Human Rights of the Republic of Indonesia through Decree No. AHU-AH.01.10-01969 dated January 17, 2014.

In 2016 based on Notarial Deed of Kumala Tjahjani Widodo, SH., No. 19 dated June 10, 2016, concerning the change in composition of the Company's board of Commissioners and Directors. The capital structures and shareholder composition of the Company in details are as shown on page-3 of this report. 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.01.03-0938778 dated June 24, 2016. The most recently by Notarial Deed of Drs. Bambang Tedjo Angono Budi, SH., No. 6 dated June 29, 2018, the authorized capital was raised to Rp 138,247,650,000.- entirely was issued and paid up. Since then, the shareholders of the company are DKSH HOLDING AG (99.87%), DKSH MANAGEMENT AG (0.11%) and P.T. KARYA CERIA SUKSES (0.02%). 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-AH.01.03-0221377 dated July 12, 2018.

P.T. DKSH INDONESIA (P.T. DKSHI) has been in operation since 1999 dealing with trading, importer and distribution of chemicals raw materials for food and beverage industry, personal care industry, pharmaceutical industry, specialty chemicals industry and textile industry. Ms. Margaretha, an administrative staff of P.T. DKSHI explained that the company provides Market Expansion Services for products and ingredients used in the industries like the food and beverage, specialty chemical, pharmaceutical, personal care and cosmetics industries through Business Unit: PM (Performance Materials). Since March 2016, P.T. DKSHI is appointed as the exclusive distributor and official service center of Emerson Network Power, a world-class company for critical infrastructure technology and services for the entire cycle of information systems and communication technology. Next, P.T. DKSHI will provide comprehensive services in the field of Uninterruptible Power Supply (UPS), thermal management and rack and data center infrastructure management. P.T. DKSHI sold their products to many sector of industry in local market, among others food and beverage industries, specialty chemical industries, personal care industries, pharmaceutical industries and cosmetics industries. We observed that condition of the company's head office is fairly active and the company is supported by its branch office domiciled in Bandung

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(West Java), Solo (Central Java) and Surabaya (East Java). We observed that P.T. DKSHI is classified as a large-sized company of its kind in the country of which the operation has been growing in the last three years.

The domestic demand for various types of industrial chemicals had been rising by 8% to 10% on the average per annum in line with the rapid growth of various industrial sectors including food and beverage, pharmaceutical, personal care and cosmetic products. Market competition is very tough on account of large number of other similar companies operating in the country. The solid and steady domestic economy, Indonesia with the rising of Country Rating to Investment Grade, and also supported by Indonesia's economic indicators such as inflation, exchange rates and interest rates are expected to encourage the business sectors.

Macroeconomic indicators from China showed downward trend. In contrary, macroeconomic indicators of the US and India showed improvement. Both of these indicated continued uncertainties. The global economic crisis that accompanied the decline of the Indonesian Rupiah (IDR) against the US Dollar in the past two months, resulting in Indonesian people's purchasing power declined sharply.

Table of Indonesian Economic Indicators from 2013 to 2017

Indonesian Economic Indicators	2013	2014	2015	2016	2017
Gross Domestic Product (PDB)	5.6	5.0	4.8	5.0	5.1
Consumer Price Index (inflation)	8.4	8.4	3.4	3.0	3.6
Government Debt	28.7	24.7	27.0	27.9	28.5
Exchange Rate (IDR/USD)	11,563	11,800	13,400	13,309	13,381
Current Account Balance	-3.3	-3.1	-2.1	-1.8	-1.7
Population (in millions)	251	254	258	261	264
Poverty (percentage of population)	11.5	11.0	11.2	10.7	10.1
Unemployment (percentage of workforce)	6.3	5.9	6.2	5.6	5.5
Reserves (in billion USD)	99.4	111.9	105.9	116.4	130.2

Until this time P.T. DKSHI 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. DKSHI'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. 162.0 billion increased to Rp. 170.0 billion in 2016 and rose again to Rp. 198.0 billion in 2017. The operation in 2017 yielded a net profit at least Rp. 8.9 billion and the company has a total net worth of Rp. 140.0 billion. So far we did not hear that P.T. DKSHI has been black 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.

Pursuant to the latest company's notary deed, the management is headed by Mr. Tay Lim Pin (65) of Malaysia as president director, a businessman with more than 31 years experience in trading and distribution of chemical products. In daily activities, he is assisted by Mr. Benoit Fissot (appr.45) of France and Mr. Victor Liew Wai Tuck (47) of Malaysia, both as directors respectively. The management is also handled by a number of experienced professional managers in this business, having maintained a wide business relation with private businessmen at home and abroad as well as with government sectors. So far we have never yet heard of the company's management having been involved in business malpractices or detrimental cases that settled in the country. The company's litigation record is clean and it has not registered with the black list of Bank of Indonesia.

P.T. DKSH INDONESIA is appraised to be good for business transaction. However, in view of the economic condition in the country is still unstable, we recommend to treat prudently in extending any new loan to the company.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.50
UK Pound	1	INR 90.63
Euro	1	INR 82.34
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 :	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)