

MIRA INFORM REPORT

Report No. :	546160
Report Date :	20.12.2018

IDENTIFICATION DETAILS

Name :	PT. DUFRINDO INTERNASIONAL
Registered Office :	APL Office Tower Lantai 16 unit 9, Podomoro City (Central Park), Jl. Letjend S. Parman Kav. 28, Kelurahan Tanjung Duren Selatan, Kecamatan Grogol Petamburan, Kota Jakarta Barat 11470, DKI Jakarta
Country :	Indonesia
Date of Incorporation :	07.05.2013
Legal Form :	Private Limited Liability Company or Perseroan Terbatas (PT)
Line of Business :	<ul style="list-style-type: none"> • Retail trade, except of motor vehicles and motorcycles • Retail sale of food, beverages and tobacco in specialised stores • Retail sale of bread, cakes, flour confectionery and sugar confectionery in specialised stores • Retail sale of cosmetic and toilet articles in specialised stores
No. of Employees :	300 [2018]

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 (30.06.2018)	Current Rating (30.09.2018)
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

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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.

Poverty and unemployment, inadequate infrastructure, corruption, a complex regulatory environment, and unequal resource distribution among its regions are still part of Indonesia's economic landscape. 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. Dufriendo Internasional (Trading Name : Dufry)
Address	Bali Logistic Park Unit 7-8, Jl. Bypass Airport Ngurah Rai No 181 Kelurahan Tuban, Kecamatan Kuta Kab. Badung 80361 Bali - Indonesia
Telephone	+623618496070
Fax	+623618496071
Mobile Phone	N.A.
Email	charles.robert@id.dufry.com
Web	N.A.

PROFILE

Address	Bali Logistic Park Unit 7-8, Jl. Bypass Airport Ngurah Rai No 181 Kelurahan Tuban, Kecamatan Kuta Kab. Badung 80361 Bali - Indonesia
Office Building	a. Area - Commercial b. Status - Leased
Date Of Establishment	- 07 May 2013
Start Operation	2013
Legal Status	Private Limited Liability Company or Perseroan Terbatas (PT)
Legalization (historical)	No. AHU-25822.AH.01.01.Tahun 2013 Dated, 14 May 2013
Government Permit (s)	No. AHU-AH.01.03-0056163 Dated, 10 June 2016 Direktorat Jenderal Pajak NPWP - 31.757.469.7-036.000
Significant change	PT. Dufriendo Internasional (the Company) was established on May 7, 2013, in West Jakarta with the authorized capital of IDR 1,000 million, of which IDR 600 million was issued and paid up. The structures of shareholders consisted of Mr. Suantar Samsurya (99.000%), and Ms. Andari Wijayanti (1.000%). On June 9, 2016, there was a change in the notarial act with issued and paid-up capital increased to become IDR 1,000 million. The structure of shareholder remained unchanged. As far as we know, there has been no more change in the Company's notarial act as published by the Ministry of Justice.
Capitalization	
- Authorized Capital	IDR 1,000,000,000

- Issued Capital	IDR 1,000,000,000
- Paid Up Capital	IDR 1,000,000,000

SHAREHOLDERS & MANAGEMENT

Shareholders	Total No. of Shareholders: 2 Shareholders as 10 June 2016 Total Shareholding private - 1,000 shares
Name of Shareholders	- Mr. Suantar Samsurya (990 shares) - 99.000 % - Ms. Andari Wijayanti (10 shares) - 1.000 %
Management Board	
Name	Mr. Suantar Samsurya
Position	Director
Nationality	Indonesian
Supervisory Board	
Name	Ms. Andari Wijayanti
Position	Commissioner
Nationality	Indonesian
Management Assessment	The management is deemed to have sufficient experience and industry expertise to manage subject properly.
Authorized Signatories	Mr. Suantar Samsurya as Director of the Company which must be approved by shareholder meeting.
Affiliate (s) / Associate (s)	- Dufry AG Group

KEY DATA ON OPERATIONS

Registered Activities	SIC Code 47	: Retail trade, except of motor vehicles and motorcycles
Employee	Per 2018	
	Approximately - 300	
Bussiness Category	SIC Code 47.2	: Retail sale of food, beverages and tobacco in specialised stores
	SIC Code 47.7	: Retail sale of other goods in specialised stores
Line of Business	SIC Code 47.24	: Retail sale of bread, cakes, flour confectionery and sugar confectionery in specialised stores
	SIC Code 47.25	: Retail sale of beverages in specialised stores
	SIC Code 47.75	: Retail sale of cosmetic and toilet articles

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		in specialised stores
Product & Capacity	N.A.	
Status of Investment	Non-facilities based Company	
Sales Territory	Local	100%
	International	00%
Main Items Imported And Country Origin	<ul style="list-style-type: none"> - Cosmetic - Hong Kong - Cosmetic - China - Cosmetic - Switzerland - Cosmetic - Belgium - Wines - France 	
Main Items Exported And Country Destination	N.A.	
Major Customers	<ul style="list-style-type: none"> - End Users 	
Major Suppliers	<ul style="list-style-type: none"> - PT. Bali Coklat - PT. Hatten Bali - PT. HM Sampoerna Tbk. - Perusahaan Perseroan (Persero) PT. Angkasa Pura II 	
Terms of Payment	Purchase Payment Domestic : Telegraphic Transfer (T.T) based on Agreement Overseas : Telegraphic Transfer (T.T) based on Agreement	
	Sale Term Domestic : Cash Payment, Credit Card / Debit Card Overseas : N.A.	
Activity Comment	<p>PT. Dufrindo Internasional (the Company) is a non-facilities based company engaged in the retail business and has been operating since 2013. The Company's head office and store address are located in a commercial area of Bali, precisely at the address: Bali Logistic Park Unit 7-8, Jl. Bypass Airport Ngurah Rai No 181, Kelurahan Tuban, Kecamatan Kuta, Kab. Badung 80361, Bali, Indonesia. We believe that the location is leased from another party.</p> <p>Meanwhile, registered (administrative) address is located at APL Office Tower Lantai 16 unit 9, Podomoro City (Central Park), Jl. Letjend S. Parman Kav. 28, Kelurahan Tanjung Duren Selatan, Kecamatan Grogol Petamburan, Kota Jakarta Barat 11470, DKI Jakarta, Indonesia.</p> <p>The Company is a member of Dufry AG Group, which is a Swiss-based travel retailer operating around 2,200 duty-free and duty-paid shops in airports, cruise lines, seaports, railway stations, and central tourist areas. Dufry employs almost 29,000 people. The Group is headquartered in Basel, Switzerland, operates in over 64</p>	

countries worldwide.

Based on our investigation, the Company is engaged as a manager of a duty-free shop under the name 'Dufry' located in Ngurah Rai International Airport, Bali. As we learned, duty-free is a store that sells imported goods to buyers who leave the country free of taxes or other additions.

Dufry has a total retail area of 298 square meters, offering a duty-free assortment that includes perfume, cosmetics, liquor, tobacco, confectionery food, snacks, wine, and chocolate. Several international cosmetic brands that are sold there such as Este Lauder, SK-II, Marc Jacobs, Dior, and Gucci. For wine and vodka, they are sold with local and international brands, one of the local brands is Hatten. As for confectionery food products, snacks, and chocolate, mostly are local products with the brand Pod Chocolate.

In the operation, the Company obtained the products such as cosmetic and wine products mostly by importing from Hong Kong, China, Switzerland, Belgium, and France. In addition, the Company also obtained the products from local suppliers such as from PT. Hatten Bali, PT. HM Sampoerna Tbk, and PT. Bali Coklat.

Meanwhile, the Company's operations are all monitored and supported directly by PT. Angkasa Pura II (Persero) both in determining the products sold, as well as import activities of these products. Then, the Company distributes the products directly to the end-users who are mostly overseas tourists who travel to Bali. According to the source, the Company's operational performance throughout 2016 has increased. But in 2017, the Company's product sales declined. This was due to several factors one of which factors natural disasters erupted in Bali.

Several times, the eruption activity of the mountain has caused obstacles on the flight into and out of Bali. This resulted in many tourists who refrain from visiting Bali so the number of tourist arrivals to Bali decreased. As a result, the Company's sales were also affected.

To improve its performance, the Company innovated by presenting the duty free arrival (DFA) concept at the International Arrival Terminal of I Gusti Ngurah Rai Airport in Denpasar, Bali, on an area of 298 square meters at the arrival terminal. DFA started its operation on April 13, 2018.

Unlike other duty free stores located at the departure terminal, this facility is still within the restricted area of the terminal, which therefore requires direct supervision by customs and excise.

The implementation is specifically regulated by the Ministry of Finance through the Regulation of the Minister of Finance of the Republic of Indonesia Number: 204 / PMK.04 / 2017 dated December 27, 2017, concerning duty-free stores.

Since the beginning of the soft launch until now, 85% of customers who shop are foreign tourists, the rest are Indonesian

Litigation	<p>citizens who have just returned overseas. With the opening of the DFA, the Company performance is improving to this fourth quarter of 2018. At the time this report is written, this Company has not been involved in any criminal or civil cases. This statement is based on a result of search for cases conducted at the State Court in the area where the Company was established and operates today.</p>
Registered Address	<p>APL Office Tower Lantai 16 unit 9, Podomoro City (Central Park), Jl. Letjend S. Parman Kav. 28 Kelurahan Tanjung Duren Selatan, Kecamatan Grogol Petamburan Kota Jakarta Barat 11470 DKI Jakarta - Indonesia Phone : - Fax : - Email : --</p>
Store Address	<p>Bali Logistic Park Unit 7-8, Jl. Airport Ngurah Rai No 181 Kelurahan Tuban, Kecamatan Kuta Kab. Badung 80361 Bali - Indonesia Phone : +623618496070 Fax : +623618496071 Email : charles.robert@id.dufry.com</p>

BANKING INFORMATION

Banker (s)	- PT. Bank HSBC Indonesia
Insurance	- Badan Penyelenggara Jaminan Sosial (BPJS)

BUSINESS PROSPECTS

Business Prospects	<p>The global duty-free retailing market will register a CAGR of 6.7% during 2015-2020 with Asia-Pacific contributing to the majority of the sales, within which South Korea is the largest market globally and will retain its position growing at a CAGR of 9.6%. India will be the fastest growing market at 20.7% during 2015-2020, followed by Japan, which will enter the top 10 largest market lists at the seventh position in 2020. Cosmetic and toiletries were the largest category of duty-free retailing market in 2015 and are set to witness a CAGR of 7.9% during the next five years, driven by demand for Korean cosmetics, the introduction of specialized concepts promoting higher customer engagement.</p>
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The duty-free retailing market has produced notable growth over the last five years; however, it was far below its potential as the market was largely impacted by the recession and the European crisis. Over the next five years, the duty-free retailing market is expected to expand at a faster rate mainly driven by increasing number of international travelers, supported by growth of low-cost airlines and new air routes across the world, modernization of airports, and new duty-free retail space.

In addition, organic growth in Asia-Pacific duty-free market on the back of high Chinese spending and expansion of duty-free retail market space will contribute to the global sales.

On the other hand, the Department of Tourism Bali targets tourist visit to Bali in 2018 reach 6.5 million foreign tourists. The amount is higher than the target in 2017 which as many as 5.5 million foreign tourists.

Based on data shown above, we believe that duty-free business, especially in Bali, is still prospective.

FINANCIAL STATEMENT

Sales Turn Over	- 2015 - IDR 87,500,000,000 (Estimated) - 2016 - IDR 96,250,000,000 (Estimated) - 2017 - IDR 90,512,000,000 (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 provide details on the financial condition of the Company.

CREDITWORTHINESS

Management Capability	Adequate
Business Morality	Adequate
Payment Manner	Slow but correct
Financial Condition	Satisfactory
Operating Trend	Fluctuated
Conclusive remarks	Based on the information shown above, we learned that the Company is engaged as a manager of Dufry duty-free shop in Ngurah Rai International Airport, Bali. Dufry offers a duty-free assortment that includes perfume, cosmetics, liquor, tobacco, confectionery food, snack, wine, and chocolate both imported and local products. The Company is a member of Dufry AG Group, which is a Swiss-

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based travel retailer operating around 2,200 duty-free and duty-paid shops in airports, cruise lines, seaports, railway stations and central tourist areas.

As we know, the Company's operational performance during 2017 has decreased after rising in 2016. This was due to the number of tourists to Bali who fell due to volcanic eruption activity in Bali which impacted the activity at the airport that was not too crowded, so the sale of the Company looks quiet. But in terms of financial, the Company is not experiencing significant problems so that cash flow is still pretty good.

However, in April 2018, the Company innovated by presenting the duty free arrival (DFA) concept at the International Arrival Terminal of I Gusti Ngurah Rai Airport Denpasar-Bali. With the opening of the DFA, the performance of the Company is increasing to this fourth quarter of 2018.

Meanwhile, by looking at Bali's tourism sector that continue to grow and the government of Bali that continue to targets the increase in the number of tourists both locally and internationally, as well as duty free sales that are starting to trend among tourists, we believe that the Company is still prospective in the future. Based on the above considerations, we provide the credit rating at Medium Risk.

For security reason, we advise those wishing to make cooperation with and to grant loans to the Company to ask for adequate collaterals from the owners and management.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.11
UK Pound	1	INR 88.74
Euro	1	INR 79.82
IDR	1	INR 0.0049

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)

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