

## MIRA INFORM REPORT

<b>Report No. :</b>	545389
<b>Report Date :</b>	22.12.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	P.T. SEOILINDO PRIMATAMA
<b>Registered Office :</b>	Jalan Raya Bekasi Km. 72, Pondok Ungu, Medan Satria, Bekasi, 13960, West Java
<b>Country :</b>	Indonesia
<b>Date of Incorporation :</b>	23.11.1989
<b>Com. Reg. No.:</b>	AHU-0018955.AH.01.02.TH.2018
<b>Legal Form :</b>	P.T. (Perseroan Terbatas) or Limited Liability Company
<b>Line of Business :</b>	Plastic Drinking Straw Manufacturing
<b>No. of Employees :</b>	509

**RATING & COMMENTS**

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

**MIRA's Rating :**

A

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

<b>Status :</b>	Satisfactory
<b>Payment Behaviour :</b>	No Complaints
<b>Litigation :</b>	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**

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

**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 NAME AND ADDRESS**

**Name of Company:**

**P.T. SEOILINDO PRIMATAMA**

**Address :**

Head Office & Factory

Jalan Raya Bekasi Km. 72  
Pondok Ungu, Medan Satria  
Bekasi, 13960

West Java

Indonesia

Phones - (62-21) 8846912, 8845616

Fax - (62-21) 4605617, 4601709

Land Area - 35,809 sq. meters

Office Space - 10,031 sq. meters

Region - Industrial Zone

Status - Owned

**Date of Incorporation :**

23 November 1989

**Legal Form :**

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

**Company Reg. No. :**

The Ministry of Law and Human Rights

- No. C2-5346.HT.01.01.TH.1990

Dated 27 August 1990

- No. AHU-19239.AH.01.02.TH.2011

Dated 18 April 2011

- No. AHU-0018955.AH.01.02.TH.2018

Dated 14 September 2018

**Company Status :**

Foreign Investment (PMA) Company

**Permit by the Government Department :**

The Department of Finance

NPWP No. 01.061.913.8-407.000

The President of the Republic of Indonesia

No. B-224/Pres/9/1989

Dated 30 September 1989

The Capital Investment Coordinating Board

- No. 208/I/PMA/1989

Dated 16 October 1989

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- No. 570/III/PMA/1996  
Dated 26 September 1996
- No. 118/II/PMA/2000  
Dated 30 May 2000

The Department of Industry

No. 57/T/Industri/1991

Dated 20 February 1991

**Related Company :**

SEOIL INDUSTRIAL CO, LTD, South Korea (Drinking Straw Manufacturing and Investment Holding)

## **CAPITAL AND OWNERSHIP**

**Capital Structure :**

Authorized Capital	: Rp. 10,822,810,000.-
Issued Capital	: Rp. 7,256,810,000.-
Paid up Capital	: Rp. 7,256,810,000.-

**Shareholders/Owners :**

**a. SEOIL INDUSTRIAL CO, LTD.** - Rp. 6,632,760,000.-

Address : Seoil Building, 222, Chamshil-dong, Songpa-ku  
Seoul, South Korea

**b. Mr. Ji Tae Kim** - Rp. 624,050,000.-

Address : Seoil Building, 222, Chamshil-dong, Songpa-ku  
Seoul, South Korea

## **BUSINESS ACTIVITIES**

**Lines of Business :**

Plastic Drinking Straw Manufacturing

**Production Capacity :**

a. U-Shaped Straws	- 3,000,000 boxes p.a.
b. Corrugated Straws	- 900,000 boxes p.a.
c. Single Wrapped Straws	- 450,000 boxes p.a.
d. I Straight Straw for Tetra	- 330,000 boxes p.a.

**Total Investment :**

a. Equity Capital	- US\$ 2.0 million
b. <u>Loan Capital</u>	- <u>US\$ 6.0 million</u>
c. Total Investment	- US\$ 6.0 million

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**Started Operation :**  
1990

**Brand Name :**  
Seoilindo Primatama

**Technical Assistance :**  
Seoil Industrial Co, Ltd., South Korea

**Number of Employee :**  
509 persons

**Marketing Area :**  
Local - 85%  
Export - 15%

**Main Customer :**  
Beverages industries, cafes, restaurants, distributors

**Market Situation :**  
Very Competitive

**Main Competitors :**  
a. P.T. DUNIA PRIMADAMAI  
b. P.T. HIDUP JAYA  
c. P.T. STRAWLAND  
d. P.T. STRAWIN INDUSTRI  
e. Etc.

**Business Trend :**  
Growing

## ***BANKER, AUDITOR & LITIGATION***

### **B a n k e r s :**

- a. P.T. Bank KEB HANA INDONESIA  
Wisma Mulia Suite 5201  
Jalan Jend. Gatot Subroto No. 42  
Jakarta Selatan, Indonesia
- b. P.T. Bank WOORI SAUDARA INDONESIA 1906 Tbk  
Jakarta Stock Exchange Building 16<sup>th</sup> Floor  
Jalan Jend. Sudirman Kav. 52  
Jakarta Selatan, Indonesia

**Auditor :**  
Internal Auditor

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**Litigation :**

No litigation record in our database

## **FINANCIAL FIGURE**

**Annual Sales (estimated) :**

2015 – Rp. 76.0 billion

2016 – Rp. 82.5 billion

2017 – Rp. 91.0 billion

**Net Profit (estimated) :**

2015 – Rp. 6.1 billion

2016 – Rp. 6.6 billion

2017 – Rp. 7.3 billion

**Payment Manner :**

No Complaints

**Financial Comments :**

Fairly strong

## **KEY EXECUTIVES**

**Board of Management :**

President Director

- Mr. Kim Minh

Director

- Mr. Hyung Yul Kim

**Board of Commissioners :**

President Commissioner

- Mr. Jong In Kim

Commissioners

- a. Mr. Hoon Tae Kim

b. Mr. Ji Tae Kim

c. Mr. Kyung Tae Kim

**Signatories :**

President Director (Mr. Kim Minh) or the Director (Mr. Hyung Yul Kim) which must be approved by Board of Commissioner

## **CAPABILITIES**

**Management Capability :**

Good

**Business Morality :**  
Good

## **OVERALL PERFORMANCE**

P.T. SEOILINDO PRIMATAMA (P.T. SP) was established in Bekasi, West Java based on notary deed Mr. Koesbiono Sarmanhadi, SH., no. 50 dated April 21, 1989 with the authorized capital of US\$ 4,020,000 issued capital of US\$ 2,020,000 entirely paid up. The founding shareholders of the company originally are SEOIL INDUSTRIAL COMPANY., of South Korea as foreign partner and P.T. ULTRAJAYA MILK INDUSTRY & TRADING CO., of Indonesia as local partner. The company notary deed has frequently been revised and according to revision notary deed Mrs. Sely Purba, SH., no. 10 dated March 17, 2011 P.T. ULTRAJAYA MILK INDUSTRY & TRADING CO., pulled out and into the company entered by Mr. Ji Tae Kim of South Korea. The latest according to revision notary deed Mrs. Sely Purba, SH., no. 15 dated September 10, 2018 the company authorized capital was converted into Indonesian Rupiah (IDR) with the authorized capital of Rp. 10,822,810,000 issued capital of Rp. 7,256,810,000 entirely paid up. With this time the composition of its shareholders has been changed to become SEOIL INDUSTRIAL CO, LTD., (91.40%) and Mr. Ji Tae Kim (8.60%). The amendment was approved by the Ministry of Law and Human Rights in its decision letter No. AHU-0018955.AH.01.02.TH.2018 dated September 14, 2018.

P.T. SP was established in the frame works Foreign Capital Investment (PMA) company facility by Capital Investment Coordinating Board (BKPM) for dealing with plastic drinking straw manufacturing. The plant is located at Jalan Raya Bekasi Km. 72, Pondok Ungu, Medan Satria, Bekasi, West Java standing on a land of 35,809 sq. meters and building area of 10,031 sq. meters. The plant has been operating in 1990 and has expanded frequently to increasing production capacity in plastic drinking straw. Management of P.T. SP explained the company produces of plastic drinking straw such as U-Shaped straws, Corrugated straws, Single wrapped straws and I straight straws fro Tetra.

Some of the raw materials like polypropylene and polystyrene obtained from locals while the rest imported from South Korea. According information 85% of the plastic drinking straws marketed locally through beverages industries among others P.T. ULTRAJAYA MILK INDUSTRY & TRADING COMPANY Tbk, P.T. INDOLAKTO, cafes, restaurants and other trader and shop of drinking straws. Besides some 15% exported to over 30 countries and export market mainly South Korea, Japan, Europe Union, Australia, etc. The company direct customers are food chain, wholesalers, cafe's and airlines services. We observe P.T. SP operation has been growing and developing well in the last three years.

In overall views we find the demand for drinking straw had been rising by 6% to 8% in the last five years in line with the growth of bottled drinking industries, food chain, cafes in the country and abroad and estimated will be higher by at least 6% next two year. The global economic crisis in October 2008 has bad impact causing its production cost sharply increased. Besides, heated political issue has bad impact to the company. While competition is very tight due to large amount of similar export-oriented companies operating in the country. Business position of P.T. SP remains good because the products are largely exported.

Until this time P.T. SP has not been registered with Indonesian Stock Exchange, so that they had not obliged to announce their financial statement. The management of P.T. UKI is very reclusive towards outsiders and rejected to disclose its financial condition. We observed that total sales turnover of the company in 2015 amounted to Rp. 76.0 billion increased to Rp. 82.5 billion in 2016 rose to Rp. 91.0 billion in 2017 and projected to go on rising by at least 5% in 2018. The operation in 2017 yielded an estimated net profit of at least Rp. 7.3 billion

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and the company has an estimated total network of at least Rp. 31.0 billion. We observe that P.T. SP is supported by foreign partner with has financially strong and sound behind it. So far, we did not heard that the company having been black listed by the Central Bank (Bank Indonesia). The company usually pays its debts punctually to suppliers.

The management of P.T. SP is led by Mr. Kim Minho (51) a professional manager of South Korea with experience in plastic drinking straw manufacturing. The company's management is handled by professional staff in the above business. They have wide relations with private businessmen within and outside the country. So far, we did not hear that the management of the company being filed to the district court for detrimental cases or involved in any business malpractices. The company's litigation record is clean and it has not registered with the black list of Bank of Indonesia. P.T. SEOILINDO PRIMATAMA is sufficiently fairly good for business transaction.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.04
UK Pound	1	INR 88.70
Euro	1	INR 80.21
IDR	1	INR 0.0048

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	VIV
<b>Report Prepared by :</b>	KET

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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)