

MIRA INFORM REPORT

Report No. :	546327
Report Date :	27.12.2018

IDENTIFICATION DETAILS

Name :	C.V. LINTAS BANGUN PERKASA
Registered Office :	Komplek Pergudangan Osowilangun Indah Blok B.7-9, Tambak Osowilangun Madya 7-9, Surabaya 60191, East Java
Country :	Indonesia
Financials (as on) :	2018 [January - June]
Date of Incorporation :	2006
Legal Form :	C.V. (Commanditaire Vennootschap) partnership with sleeping partners
Line of Business :	Solid (Parquite) Flooring Manufacturing and Trading
No. of Employees :	30

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 :	No Complaints
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 (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

NAME OF COMPANY

C.V. LINTAS BANGUN PERKASA

ADDRESS

Head Office

Komplek Pergudangan Osowilangun Indah Blok B.7-9,
Tambak Osowilangun Madya 7-9,
Surabaya 60191, East Java,
Indonesia

Phone - (62-31) 9909 5026
Fax - (62-31) 9909 5027
Land Area - 1,600 sq. meters
Building Area - 1.400 sq. meters
Region - Warehousing Zone
Status - Rent

COMPANY SUMMARY

Established :
2006

Legal Form :
C.V. (Commanditaire Vennootschap) partnership with sleeping partners

Company Reg. No. :
The Ministry of Law and Human Rights
Not Required

Company Status :
Private National Company

Permit by the Government Department :
The Department of Finance
Not available

Related/Affiliated Company:
Not available

CAPITAL AND OWNERSHIP

Capital Structure :

Authorized Capital - Rp 500 million

Owners :

- a. Mr. Herman (Active Partner)
- b. His wife Mrs. Herman (Silent Partner)

BUSINESS ACTIVITIES

Lines of Business :

Solid (Parquite) Flooring Manufacturing and Trading

Production Capacity :

On the order basis

Total Investment :

None

Started Operation :

2006

Brand Name :

LBP

Technical Assistance :

Owned Capital - Rp. 2.0 billion

Number of Employee :

30 persons

Marketing Area :

Local - 40%

Export - 60%

Main Customers :

Building Material Supermarks, Hotels, villas, houses, office building, etc.

Market Situation :

Very Competitive

Main Competitors :

- a. PT. Sekayu Sahabat Sejahtera
- b. PT. Tanjung Kreasi Parquet Industry

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- c. PT. Kayu Asri Indonesia
- d. PT. Jati Indah Permai
- e. PT. Tirta Flora Makmur

Business Trend :

Growing

BANKER, AUDITOR & LITIGATION

Banker :

P.T. Bank JATIM INDONESIA
Surabaya Main Office
Jl. Basuki Rachmad No.98-104
Surabaya, East Java
Indonesia

Auditor :

Internal Auditor

Litigation :

No litigation record in our database

FINANCIAL FIGURE

Annual Sales (estimated) :

2014 – Rp. 24.5 billion
2015 – Rp. 28.0 billion
2016 – Rp. 32.0 billion
2017 – Rp. 36.0 billion
2018 – Rp. 20.2 billion (January – June)

Net Profit (estimated) :

2014 – Rp. 1.9 billion
2015 – Rp. 2.2 billion
2016 – Rp. 2.5 billion
2017 – Rp. 2.9 billion
2018 – Rp. 1.6 billion (January – June)

Payment Manner :

No complaints

Financial Comments :

Fairly

KEY EXECUTIVES

Board of Management :

Director - Mr. Herman
Factory Manager - Mr. Tony Hermawan

Board of Commissioner:

Commissioner - None

Signatories :

Director (Mr. Herman) is the only person who is authorized to sign the loan on behalf of the company.

CAPABILITIES

Management Capability :

Fairly

Business Morality :

Fairly

OVERALL PERFORMANCE

C.V. LINTAS BANGUN PERKASA (C.V. LBP) was established in Surabaya (East Java) in 2006 with legal status C.V. (Commanditaire Vennootschap) or partnership with sleeping partners. The founder and owner of the company are Mr. Herman and his wife Mrs. Herman, both are an Indonesian business persons of Chinese extraction. Being as Commanditaire Vennootschap (C.V.), the amount of its authorized capital was not mentioned at the time of its establishment. In our estimate, now the company has own capital of about Rp. 500 million.

C.V. LBP has been in operation since 2006 dealing with trading and manufacturing of solid (parquite) flooring and wood products. Its plant located on Komplek Pergudangan Osowilangun Indah Blok B.7-9, Tambak Osowilangun Madya 7-9, Surabaya 60191, East Java. The plant produces solid flooring with top layers 3-4-5 mm thickness from Indonesian wood species such as: Merbau, Teak, Sonokeling, Kempas, Kumea, Nyatoh, Cempaka, etc. Some 40% of its products are sold to local market especially to building materials supermarkets, hotels, villas, houses, office building in Indonesia and the rest 60% are exported to Singapore, China and USA. We observed that C.V. LBP is classified as a small-sized company of its kind in the country of which the operation has been growing in the last three years.

Generally, the demand for solid flooring and wood products in the country had significantly rising by 8% to 10% per year in the last five years, in line with the growth and development of hotels, villas, apartment, real estate, office building and others in Bali and surroundings. Market competition is very tight due to a large number of similar companies operating in the country especially in Surabaya, Jakarta and West Java. Business position of C.V. LBP is favorable for it has controlled a wide marketing network in Surabaya and its surroundings.

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Until this time C.V. LBP 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. The Company'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. 28.0 billion increased to Rp. 32.0 billion in 2016 and rose again to Rp. 36.0 billion in 2017. The operation in 2017 yielded a net profit at least Rp. 2.9 billion and the company has a total net worth of Rp. 12.5 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 C.V. LBP has been black listed by Bank Indonesia (Central Bank) or having detrimental cases being settled in local district court.

The management of C.V. LBP is led by Mr. Herman (appr.46) a businessman with experience in trading, export and manufacturing of solid flooring and wood products. In his daily activities he is assisted by Mr. Tony Hermawan (appr.43) as factory manager. The company's management is handled by professional staff in the above business. They have wide relations with private businessmen within 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.

C.V. LBP is sufficiently fairly good for business cooperation. However, in view of the economic condition in the country is still unstable and political situation is warming, we recommend to treat prudently in extending any new loan to the company.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.99
UK Pound	1	INR 88.96
Euro	1	INR 79.82
IDR	1	INR 0.0048

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

INFORMATION DETAILS

Analysis Done by :	VIVR
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)