

MIRA INFORM REPORT

Report No. :	521288
Report Date :	25.07.2018

IDENTIFICATION DETAILS

Name :	P.T. MAKMUR ENERGY RESOURCES
Registered Office :	C/O Virtual Office , Aswana Serviced Office 12 th Floor Suite 1216 – Gedung Sarinah, Jalan M.H. Thamrin No. 11, Gondangdia, Menteng, Jakarta Pusat, 10350
Country :	Indonesia
Date of Incorporation :	09.01.2014
Com. Reg. No.:	AHU-AH.01.03-0186126
Legal Form :	P.T. (Perseroan Terbatas) or Limited Liability Company
Line of Business :	Trading and Exporter of Coal
No. of Employees :	9

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 :	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.

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

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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.

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

P.T. MAKMUR ENERGY RESOURCES

ADDRESS

Head Office

c/o Virtual Office

Aswana Serviced Office 12th Floor Suite 1216 – Gedung Sarinah

Jalan M.H. Thamrin No. 11

Gondangdia, Menteng

Jakarta Pusat, 10350

Indonesia

Phones - (62-21) 3983 3458

Fax - (62-21) 3983 3459

Building Area - 12 storey

Office Space - 50 sq. meters

Region - Commercial

Status - Rent

COMPANY SUMMARY

Date of Incorporation :

9 January 2014

Legal Form :

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

Company Reg. No. :

The Ministry of Law and Human Rights

-No. AHU-10.02619.PENDIRIAN-PT.2014

Dated 19 February 2014

-No. AHU-AH.01.03-0186126

Dated 31 October 2017

Company Status :

Foreign Investment (PMA) Company

Permit by the Government Department :

The Department of Finance

NPWP No. 66.580.504.0-016.000

The Capital Investment Coordinating Board

No. 2541/1/IP/PMA/2013

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Dated 24 December 2013

Related Company :

None

CAPITAL AND OWNERSHIP

Capital Structure :

Authorized Capital : US\$ 2,000,000.-
Issued Capital : US\$ 2,000,000.-
Paid up Capital : US\$ 2,000,000.-

Shareholders/Owners :

a. Mr. Muhammad Zafar - US\$ 1,600,000.-

Address : Sialkot Pak, Islamabad
Pakistan

b. Mr. Hamid Bashir - US\$ 400,000.-

Address : Faisalabad Pak
Pakistan

BUSINESS ACTIVITIES

Lines of Business :

Trading and Exporter of Coal

Production Capacity :

None

Total Investment :

None

Started Operation :

June 2014

Brand Name :

Makmur Energy Resources

Technical Assistance :

None

Number of Employee :

9 persons

Marketing Area :

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Export - 100%

Main Customer :

Buyers in Pakistan

Market Situation :

Very Competitive

Main Competitors :

- a. P.T. ADITYA BARA PERKASA
- b. P.T. ALAM JAYA ENERGI
- c. P.T. BANGUN OLAH SARANA SUKSES
- d. P.T. CAHAYA TEMIANG COAL
- e. P.T. KEDAP SAYAAQ

Business Trend :

Growing

BANKER, AUDITOR & LITIGATION

Banker :

P.T. Bank MANDIRI Tbk
Gedung Sarinah
Jalan M.H. Thamrin No. 11
Jakarta Pusat, Indonesia

Auditor :

Internal Auditor

Litigation :

No litigation record in our database

FINANCIAL FIGURE

Annual Sales (estimated) :

2015 – Rp. 17.0 billion
2016 – Rp. 19.0 billion
2017 – Rp. 21.0 billion

Net Profit (estimated) :

2015 – Rp. 1.0 billion
2016 – Rp. 1.2 billion
2017 – Rp. 1.4 billion

Payment Manner :
No complaints

Financial Comments :
Fairly strong

KEY EXECUTIVES

Board of Management :
Director - Mr. Muhammad Zafar

Board of Commissioners :
Commissioner - Mr. Hamid Bashir

Signatories :
Director (Mr. Muhammad Zafar) which must be approved by Board of Commissioner

CAPABILITIES

Management Capability :
Fairly Good

Business Morality :
Fairly Good

OVERALL PERFORMANCE

Based on search and investigation through address Jalan Raya Madrasah No. 14, Gandaria Selatan sub-district, Cilandak district, South Jakarta the Subject has yet been enrolled. According information and revision notary documents the Subject registered office at Virtual Office, Aswana Serviced Office 12th Floor Suite 1216 – Gedung Sarinah, Jalan M.H. Thamrin No. 11, Gondangdia, Menteng, Central Jakarta.

P.T. MAKMUR ENERGY RESOURCES (P.T. MER) was established in Jakarta based on notary deed Mr. Abdul Rajab Rahman, SH., no. 07 dated 9 January 2014 with an authorized capital of US\$ 2,000,000 or equivalent to Indonesian Rupiah (IDR) Rp. 25,030,000,000 issued capital of US\$ 1,000,000 or Rp. 12,515,000,000 entirely paid up. The founding and shareholders of the company are Mr. Muhammad Zafar (50%) and Mr. Mansoor Anwar Sheikh (50%) both are Pakistan business citizenship. The company notary deed had been changed and according to revision notary deed Mr. Suwanda, SH., no. 29 dated 28 October 2017 Mr. Mansoor Anwar Sheikh pulled out and into the company entered by Mr. Hamid Bashir of Pakistan as new shareholder. On the same occasion the company issued capital was increased to US\$ 2,000,000 or equivalent to Indonesian Rupiah (IDR) Rp. 25,030,000,000 fully paid up. With this time the composition of its shareholders has been changed to become

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Mr. Muhammad Zafar (80%) and Mr. Hamid Bashir (20%). The amendment was approved by the Ministry of Law and Human Rights in its decision letter No. AHU-AH.01.03-0186126 dated October 31, 2017.

P.T. MER is a Foreign Investment (PMA) company facility its activity engaged in the field trader and exporter of coal. P.T. MER specialized in exporting Indonesian coal to Pakistan for specific industrial sectors like textile, steel, power plants. According information the coal obtained from South Kalimantan, East Kalimantan and South Sumatera. Later the whole coal will be exported to meet the demand for electric power plants, steel mills, and textile mills in Pakistan.

Besides, pursuant to the deed of notary of the company, P.T. MER dealing with general trading, export import of agricultural commodities, industry, general contracting, trading and supplies, plantation, hatchery, land clearing, garment and textile industry, freight forwarding services, custom clearance, logistic services, custom brokerage services, trading and distribution, export import services, industry, manufacturing, general trading such as trading of technical, electrical, mechanical goods, and building material, and acting as supplier, distributor, wholesaler and agent of the companies both inside or outside the country.

Coal market fundamentals have improved and the market is poised towards a positive direction of supply and demand balance. The seaborne market for thermal coal will remain robust well into the future as developing countries continue to look for affordable and reliable energy to improve electrification and promote economic growth. Southeast Asian nations will play an increasingly important role in coal demand growth in the longer term. The population in the region will need to improve GDP levels and living standards, translating to higher electrification and energy consumption per capita. For Indonesia, domestic demand will drive the future of Indonesia coal industry.

On metallurgical coal outlook, GDP particularly in developing countries will remain strong and the underlying forces of metallurgical coal demand – urbanization in south and southeastern Asian countries – will continue to drive development of steelmaking capacity. These countries remain a source of huge potential due to rising population, low steel intensity economy, and a lack of metallurgical coal resources. On non-coal businesses, the upcoming operations of all coal-fired power plants under the 35,000 MW program, will provide growth potential for the mining services and logistics business in increasing their overburden removal, coal production, coal barging, and coal loading activities. In addition, to further support the government's electrification program, the company will further develop its power business not only for coal-fired power plant projects but also other fuels such as gas and renewable. The growth of coal production and export in Indonesia in 2011 to 2016 is pictured on the following table:

Production, Export Volume and Value of Coal in Indonesia, 2011 – 2016*

Year	Production Volume	Export Volume (Thousand Ton)	Export Value (Million US\$)
2011	291,164,557	323,434.5	25,511.2
2012	361,028,398	347,504.5	24,288.2
2013	377,846,727	381,384.2	22,759.7
2014	402,551,854	356,302.8	18,697.7
2015	406,539,037	328,387.4	14,717.3
2016	205,785,879	127,795.1	11,439.8

Until this time P.T. MER has not been registered with Indonesian Stock Exchange, so that they had not obliged to announce their financial statement. The management of P.T. MER is very reclusive towards outsiders and rejected to disclose its financial condition. We observed that total sales turnover of the company in 2015

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amounted to Rp. 17.0 billion increased to Rp. 19.0 billion in 2016 rose to Rp. 21.0 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. 1.4 billion and the company has an estimated total network of at least Rp. 25.0 billion.

We observe that P.T. MER 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. MER is led by Mr. Muhammad Zafar (52) a businessman and professional manager with experience in coal trader and exporter. 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. MAKMUR ENERGY RESOURCES is sufficiently fairly good for business transaction.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.05
UK Pound	1	INR 90.30
Euro	1	INR 80.54
IDR	1	INR 0.0048

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

INFORMATION DETAILS

Analysis Done by :	VIV
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)