

MIRA INFORM REPORT

Report No. :	538943
Report Date :	14.11.2018

IDENTIFICATION DETAILS

Name :	P.T. MAKMUR FANTAWIJAYA CHEMICAL INDUSTRIES
Registered Office :	Jl. Musi No. 25, Cideng, Gambir, Jakarta Pusat 10150
Country :	Indonesia
Date of Incorporation :	1988
Com. Reg. No.:	No. AHU-AH.01.03-9243002
Legal Form :	P.T. (Perseroan Terbatas) or Limited Liability Company
Line of Business :	Trading, Import and Distribution of Industrial Chemicals
No. of Employees :	60

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 :	Slow but Correct
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.

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

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

P.T. MAKMUR FANTAWIJAYA CHEMICAL INDUSTRIES

Address :

Head Office

Jl. Musi No. 25, Cideng, Gambir,
Jakarta Pusat 10150
Indonesia

Phones - (62-21) 386 6789, 350 9955 (hunting)
Fax - (62-21) 350 8228, 350 6556
Email - sales_bio01@makmurfanta.com
Building Area - 2 storey
Office Space - 220 sq. meters
Region - Commercial
Status - Owned

Warehouse

Desa Wanaherang,
Kec. Gunung Putri, Bogor,
West Java
Indonesia

Land Area - 30,000 sq. Meters
Warehouse Area - 10,000 sq. meters
Region - Commercial
Status - Rent

COMPANY SUMMARY

Date of Incorporation :

1 9 8 8

Legal Form :

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

Company Reg. No. :

The Ministry of Law and Human Rights

- a. No. C-30655.HT.01.04.TH.2005
Dated 17 November 2005
- b. No. AHU-41203.AH.01.02.Tahun 2008
Dated 05 April 2008
- c. No. AHU-AH.01.03-9243002
Dated 17 September 2018

Company Status :

National Private Company

Permit by the Government Department :

The Department of Finance

NPWP No. 01.330.198.1-073.000

Related/Affiliated Company:

Not available

CAPITAL AND OWNERSHIP

Capital Structure :

Authorized Capital - Rp. 1,000,000,000.-
Issued Capital - Rp. 1,000,000,000.-
Paid up Capital - Rp. 1,000,000,000.-

Shareholders/Owners :

a. Mr. Hou Pao Jen - Rp. 470,000,000.- (47%)

Address : Apartement Pavilion Tower 3 No.2203
Jl. K.H. Mas Mansyur Kav. 24,
Central Jakarta, Indonesia

b. Mr. Andrew Widjaja - Rp. 200,000,000.- (20%)

Address : Jl. Kamboja Ujung DX.8
Palmerah, West Jakarta
Indonesia

c. Mr. Harun Widjaja - Rp. 100,000,000.- (10%)

Address : Jl. Kamboja Ujung DX.8
Palmerah, West Jakarta
Indonesia

d. Mr. Chang Tai Hsiang - Rp. 150,000,000.- (15%)

Address : Jl. Ampera Raya No.49
Cilandak, South Jakarta
Indonesia

e. Mr. Chang Chen Su Yun - Rp. 80,000,000.- (8%)

Address : Jl. Ampera Raya No.49
Cilandak, South Jakarta
Indonesia

BUSINESS ACTIVITIES

Lines of Business :

Trading, Import and Distribution of Industrial Chemicals

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Production Capacity :
None

Total Investment :
Owned Capital - Rp. 10.0 billion

Started Operation :
1 9 8 8

Brand Name :
Makmur Fantawijaya Chemical

Technical Assistance :
None

Number of Employee :
60 persons

Marketing Area :
Local or Dometic - 100%

Main Customer :
a. Ink and Coating Industries
b. Cosmetic Industries
c. Food and Beverage Industries
d. Pharmaceutical Industries
e. Plastic Industries
f. Crumb Rubber Industries
g. Textile Industries

Market Situation :
Very Competitive

Main Competitors :
a. PT. Dow Chemical Indonesia
b. PT. Cipta Prima Chemindo
c. PT. Makmur Jaya Kharisma
d. PT. Galic Bina Mada
e. PT. Mulya Adhy Paramita
f. PT. Tritunggal Arthamakmur
g. PT. Pintu Mas Mulia Kimia
h. PT. Fadjar Kimia Pratama Prima

Business Trend :
Fluctuating

BANKER, AUDITOR & LITIGATION

Bankers :

- a. P.T. Bank CENTRAL ASIA Tbk
Menara BCA
Jl. M.H. Thamrin No. 1
Jakarta 10310
- b. P.T. Bank MEGA Tbk
Menara Bank MEGA
Jl. Kapten Tendean No. 12-14A
Jakarta 12790

Auditor :

Internal Auditor

Litigation :

No litigation record in our database

FINANCIAL FIGURE

Net Sales/Revenues (estimated) :

2014 – Rp. 44.0 billion
2015 – Rp. 48.0 billion
2016 – Rp. 55.0 billion
2017 – Rp. 64.0 billion

Net Profit (estimated) :

2014 – Rp. 3.2 billion
2015 – Rp. 3.6 billion
2016 – Rp. 4.2 billion
2017 – Rp. 4.9 billion

Payment Manner :

Slow but correct

Financial Comments :

Fairly

KEY EXECUTIVES

Board of Management :

President Director - Mr. Hou Pao Jen
Director - Mr. Andrew Widjaja

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Board of Commissioners :

Commissioner - Mr. Harun Widjaja

Signatories :

President Director (Mr. Hou Pao Jen) or Director (Mr. Andrew Widjaja) which must be approved by Board of Commissioner (Mr. Harun Widjaja)

CAPABILITIES

Management Capability :

Good

Business Morality :

Good

OVERALL PERFORMANCE

P.T. MAKMUR FANTAWIJAYA CHEMICAL INDUSTRIES (P.T. MFCI) was established in Jakarta in 1988. Its articles of association have subsequently been changed for several times. In July 2005, based on Notary Deed of Tjoa Karina Juwita, SH., No. 51 dated July 14, 2005 the authorized capital was raised to Rp. 1,000,000,000.- entirely was issued and paid up. Since then, the shareholders of the company are Mr. Chang Tai Hsiang (35%), Mr. Hou Pao Jen (27%), Mr. Hoo Karto Wijaya (10%), Mr. Jimmy Wijaya Hoo (10%), Mr. Harun Widjaja (10%) and Mr. Chang Chen Su Yun (8%). The amendment to Deed has been approved by the Minister of Law and Human Rights of the Republic of Indonesia through its Decision Letter No. C-30655.HT.01.04.TH.2005 dated November 17, 2005. The most recently by Notary Deed of Yenny Widjaja SH., No. 8 dated September 12, 2018, concerning the change in composition of the Company's shareholders. Since then, the shareholders of the company are Mr. Hou Pao Jen (47%), Mr. Andrew Widjaja (20%), Mr. Chang Tai Hsiang (15%), Mr. Harun Widjaja (10%) and Mr. Chang Chen Su Yun (8%). This amendment to Deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia through its Decree No. AHU-AH.01.03-0243002 dated September 17, 2018.

P.T. MFCI has been in operation since 1988 in general trading, as an importer and distributor of industrial chemicals. The Company is selling various chemicals products. The Company has grown for more than 20 years, supporting over 60 employees with a 10,000 M² warehouse facility located in Desa Wanaherang, Gunung Putri district, Bogor, West Java. Mr. Hardy, a marketing staff of the company explained that P.T. was appointed as sole agent for the chemical products imported from several countries such as AJ, Chopped Strand Mat (CSM) for fiberglass industry, FANTATEX, Chopped Strand Mat (CSM), Roving Yarn for fiberglass and Filament Winding, FANTALON, E-glass Woven Roving, ASHLAND anti Foa, DERAKANE Daily Polyer, Polyester Resin, DYNEA Printing Additive, EVERMOHE Chemical Polyurethane Hardener, Organic Pigment & Carbon Black, Polyol for Polyurethane Foam, etc. All the company's merchandize products are sold to fiberglass industries, polyurethane form industries, plastic product industries, tire industries, plastic and building material industries and chemicals dealers and distributor in Jakarta, Bandung (West Java), Semarang (Central Java), Surabaya (East Java),

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Medan (North Sumatera), Makassar (South Sulawesi), etc. We observed that P.T. MFCI is classified as a medium 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 chemical products had been rising by 6% to 8% on the average per annum in the last five years in line with the rapid growth of various industrial sectors including fiberglass industries, polyurethane form industries, plastic product industries, tire industries, paint and coating industries, cosmetic industries, food and beverage industries, pharmaceutical industry, printing industries and others in the above period of times as the consumers.

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. Business position of P.T. MFCI is favorable for it has controlled a wide marketing network at home and their product has been widely known among consumers in the country.

Until this time P.T. MFCI has not been registered with Indonesian Stock Exchange, so that they shall not oblige 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. MFCI'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. 48.0 billion increased to Rp. 55.0 billion in 2016 and rose again to Rp. 64.0 billion in 2017. The operation in 2017 yielded a net profit at least Rp. 4.9 billion and the company has a total net worth of Rp. 14.5 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 P.T. MFCI 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.

The management of P.T. MFCI is led by Mr. Hou Pao Jen (66) as president director and CEO of the company. He is an Indonesian businessman of Taiwan extraction, who experienced for more than 30 years in the field of trading, import and distribution of industrial chemicals. In his daily activities, he is assisted by Mr. Andrew Widjaja (34) as director and Mr. Harun Widjaja (72) as commissioner. The management is handled by experienced staff 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 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. MFCI is appraised to be good for business transaction. However, in view of the economic condition in the country is still unstable and political situation in the country 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 72.59
UK Pound	1	INR 93.49
Euro	1	INR 81.61
IDR	1	INR 0.0049

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

INFORMATION DETAILS

Analysis Done by :	VIVR
Report Prepared by :	SYL

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

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)