

MIRA INFORM REPORT

Report No. :	532149
Report Date :	04.10.2018

IDENTIFICATION DETAILS

Name :	P.T. PABRIK KERTAS TJIWI KIMIA TBK
Registered Office :	Sinar Mas Land Plaza, Menara II, 7 th Floor, Jalan M.H. Thamrin No. 51 Gondangdia, Menteng, Jakarta Pusat 10350 PO Box- 4295 JKT 10001
Country :	Indonesia
Financials (as on) :	31.03.2018
Date of Incorporation :	02.10.1972
Com. Reg. No.:	AHU-AH.01.03-0147953
Legal Form :	P.T. Tbk. (Perseroan Terbatas Terbuka) or Public Listed Company
Line of Business :	<ul style="list-style-type: none"> • Cultural and Industrial Paper Manufacturing • Caustic Soda Manufacturing • Investment Holding
No. of Employees :	8,500

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.

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

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 SUMMARY

Name of Company :

P.T. Pabrik Kertas TJIWI KIMIA Tbk

Address :

Head Office & Factory

Sinar Mas Land Plaza, Menara II, 7th Floor
Jalan M.H. Thamrin No. 51
Gondangdia, Menteng
Jakarta Pusat 10350
Indonesia
PO Box - 4295 JKT 10001
Phones - (62-21) 392966-69
Fax - (62-21) 3927685
E-mail - app_investors@app.co.id
Website - <http://www.tjiwi.co.id>

Factory/Mills

Jl. Raya Surabaya-Mojokerto Km. 44
Desa Kramat Temanggung
Kecamatan Tarik,
Sidoarjo, East Java
Indonesia
Phones - (62-321) 361552, 361574-77
Fax - (62-321) 361615
Telex - 31094 TJIWI MR
P.O. Box - 115 MOJOKERTO
Land Area - 36.0 hectares
Building Space - 4.5 hectares
Region - Industrial Zone
Status - Owned

Branches

a. Singapore Office

Room 1609, 16th Floor, SHENTON HOUSE
3 Shenton Way
Singapore
Phones - (65) 2209166-69

b. Surabaya Office

Jalan Rajawali No. 31-33
Surabaya
East Java
Phones - (62-31) 3530520, 33524130, 3524133
Fax - (62-31) 3525409

Date of Incorporation :

- a. 02 October 1972 as P.T. Pabrik Kertas TJIWI KIMIA
- b. 08 July 1996 as P.T. Pabrik Kertas TJIWI KIMIA Tbk

Legal Form :

P.T. Tbk. (Perseroan Terbatas Terbuka) or Public Listed Company

Company Reg. No. :

The Ministry of Law and Human Rights

- a. No. Y.A. 5/439/25 (initial permit)
Dated 22 December 1975
- b. No. AHU-42925.AH.01.02.Tahun 2009
Dated 01 September 2009
- c. No. AHU-AH.01.10-26833
Dated 23 July 2013
- d. No. AHU-0940293.AH.01.02.Tahun 2015
Dated 07 August 2015
- e. No. AHU-AH.01.03-0147953
Dated 20 June 2017

Company Status :

Domestic Investment (PMDN) Company

Permits by the Government Department :

- a. The Department of Finance
NPWP No. 01.109.421.6-092.000
- b. The Department of Industry
No. 2040/St-J/XII/1974
Dated 14 December 1974
- c. The Capital Investment Coordinating Board
 - No. 564/III/PMDN/1987
Dated 11 November 1987
 - No. 212/III/PMDN/1996
Dated 31 May 1996

Related/Affiliated Companies :

A Member of the SINAR MAS Group of Companies

CAPITAL AND OWNERSHIP

Capital Structure :

Authorized Capital	- US\$.2,010,813,237
Issued Capital	- US\$. 651,679,000
Paid up Capital	- US\$. 651,679,000

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.

Shareholders/Owners :

- | | |
|-----------------------------|-----------------------------|
| a. P.T. PURINUSA EKAPERSADA | - US\$. 388,449,000 (60.0%) |
| c. Public (each below 5%) | - US\$. 263,230,000 (40.0%) |

BUSINESS ACTIVITIES

Lines of Business :

- Cultural and Industrial Paper Manufacturing
- Caustic Soda Manufacturing
- Investment Holding

Production Capacity :

- | | |
|---|------------------------|
| a. Industrial and Cultural Papers | - 194,000 tons p.a. |
| b. Corrugated Paper Boxes | - 98,300 tons p.a. |
| c. Kraft Papers | - 186,000 tons p.a. |
| d. Caustic Soda | - 14,900 tons p.a. |
| e. Computer and Telex Papers | - 10,800 tons p.a. |
| f. NRC, Coated and Cultural Papers | - 130,800 tons p.a. |
| g. Fine Papers for Laminating | - 7,200 tons p.a. |
| h. Lining Papers | - 7,200 tons p.a. |
| i. Tissue Papers | - 3,600 tons p.a. |
| j. Duplex Coated Papers | - 51,600 tons p.a. |
| k. Cardboards | - 14,600 tons p.a. |
| l. Pulps and Baggases | - 117,600 tons p.a. |
| m. Writing Books | - 30 millions pcs.p.a. |
| n. HVS and Writing Papers | - 210,000 tons p.a. |
| o. Silicon Papers | - 20,000 tons p.a. |
| p. Cast Coating Papers | - 10,000 tons p.a. |
| q. High Quality Exercise Book, Note
Book, Computer Continuous Form
Box Stationery | - 300,000 tons p.a. |
| r. Calcium Hypochloride | - 7,200 tons p.a. |
| s. Liquid Calcium Hypochloride | - 64,000 tons p.a. |
| t. Calcium Oxide | - 36,000 tons p.a. |

Total Investment :

- | | |
|------------------------|------------------------|
| a. Equity Capital | - Rp. 1,335.3 billion |
| b. <u>Loan Capital</u> | - Rp. 15,295.0 billion |
| c. Total Investment | - Rp. 16,630.3 billion |

Started Operation :

1977

Brand Name :

Bola Dunia, Anchor Brand, Betet, Clean Coated Board, Evergreen, Globe Brand, Golden Art, etc

Technical Assistance :
None

Number of Employee :
8,500 persons

Marketing Area :
a. Domestic - 35%
b. Export - 65%

Main Customers :
a. P.T. SURYA JAYA PLACE (Distributor)
b. P.T. PERMATA BIRU INDAH (Distributor)
c. P.T. SUTIO JAYATAMA (Distributor)
d. P.T. MARGONO (Distributor)
e. Buyers in Asia, Middle East, Africa, Europe, USA and Australia

Market Situation :
Very Competitive

Main Competitors :
a. P.T. SURABAYA AGUNG KERTAS
b. P.T. RIAU ANDALAN KERTAS
c. P.T. KERTAS LECES
d. P.T. SUPARMA Tbk, etc.

Business Trend :
Declining

BANKER, AUDITOR & LITIGATION

Bankers :

- a. P.T. Bank INTERNATIONAL INDONESIA Tbk
Plaza BII, Menara II, 7th Floor
Jalan M.H. Thamrin No. 51
Jakarta 10350
- b. The Bank of AMERICA N.T. & S.A.
Gedung Bursa Efek Jakarta, Menara I
Jalan Jend. Sudirman Kav. 52-53
Jakarta Selatan
- c. The LONG-TERM CREDIT Bank of Japan Ltd.
Singapore
- d. DEUTSCHE Bank, AG
Jalan Imam Bonjol No. 80
Jakarta Pusat
- e. P.T. INDOSUEZ INDONESIA Bank
Jakarta Branch

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.

SUMMITMAS TOWER II, 19th Floor
Jalan Jend. Sudirman Kav. 61-62
Jakarta Selatan
f. P.T. INTERNATIONAL NEDERLANDEN
INDONESIA, Bank
SUMMITMAS TOWER II, 14th Floor
Jalan Jend. Sudirman Kav. 61-62
Jakarta Selatan

Auditor :

Y. Santosa dan Rekan

Litigation :

No litigation record in our database

FINANCIAL FIGURE

Annual Sales :

2013 – US\$. 1,222.4 million
2014 – US\$. 1,194.8 million
2015 – US\$. 1,062.5 million
2016 – US\$. 996.9 million
2017 – US\$. 1,011.7 million
2018 – US\$. 275.9 million (as of 31 March 2018)

Net Profit (Loss) :

2013 – US\$. 27.0 million
2014 – US\$. 20.5 million
2015 – US\$. 1.5 million
2016 – US\$. 7.7 million
2017 – US\$. 27.3 million
2018 – US\$. 47.4 million (as of 31 March 2018)

Payment Manner :

Slow but Correct

Financial Comments :

Fairly

KEY EXECUTIVES

Board of Management :

President Director - Mr. Suhendra Wiriadinata
Directors - a. Mr. Agustian Rachmansjah Partawidjaja

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.

Independent Director	b. Mr. Hendra Jaya Kosasih
Director & Corporate Secretary	c. Mr. Anton Mailoa
	d. Mr. Suresh Kilam
	- Mr. Baharudin
	- Mr. Arman Sutedja
Board of Commissioners :	
President Commissioner	- Mr. Saleh Husin, SE, MS
Commissioners	- a. M. Arthur Tahya AKA Arthur Tahija
	b. Mr. Sukirta Mangku Djaja
Independeng Commissioners	- a. Dr. Ir. Deddy Saleh
	b. Dr. Ramelan, SH., MH.
	c. Mr. Drs. Pandu Putu Raka, MA

Signatories :

President Director (Mr. Suhendra Wiriadinata) or one of the Directors (Mr. Agustian Rachmansjah Partawidjaja, Mr. Hendra Jaya Kosasih, Mr. Anton Mailoa, Mr. Suresh Kilam, Mr. Baharudin and Mr. Arman Sutedja) which must be approved by Presodent Commissioners.

CAPABILITIES

Management Capability :

Good

Business Morality :

Good

OVERALL PERFORMANCE

Originally named P.T. Pabrik Kertas TJIWI KIMIA, it was established in Sidoarjo (East Java) based on notary Deed of Ridwan Suselo, SH., No. 9 dated October 2, 1972 with an authorized capital of Rp. 200,000,000.- issued capital of Rp. 50,000,000.- wholly paid-up. Founders and original shareholders are Dr. Eka Tjipta Widjaja AKA Oei Ek Tjhong and the late his son-in-law Mr. Rudy Maeloa AKA Loa Bon Peang (died on 5 April 1988) Chinese origin Indonesian business family. The Deed of establishment has been approved by the Ministry of Justice Republic Indonesia under its Decision Letter No. Y.A. 5/439/25 dated 22 December 1975.

Its articles of association have subsequently been changed for a couple of times. In April 1990, the company went public by releasing its 6.74% shares to the public through Jakarta Stock Exchange (BEJ) and Surabaya Stock Exchange (BES). In July 1996, the company renamed to P.T. Pabrik Kertas TJIWI KIMIA Tbk. (P.T. PKTKT). Later in June 1997, the authorized capital was increased again to Rp. 5,000,000,000,000.- or US\$ 2,010,813,237. In July 1997, P.T. PKTKT undertook right issue I and the issued capital has from that time on increased to Rp. 1,321,526,432,000.- Later of July 2008, P.T. PKTKT issued the bonus shares and concurrently the issued and paid-up capital rose again to Rp. 1,335,702,240,000.- or US\$ 537,169,549. As of 31 December

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.

2011, the majority business stakes of the company is controlled by P.T. PURINUSA EKAPERSADA (60%) and the rest is owned by Publics (40%). The amendment to Deed has been approved by the Ministry of Law and Human Right in its Decision Letter No. AHU-42925.AH.01.02.TH.2009, dated 01 September 2009.

In June 2012 based on notarial Deed No. 24 dated 12 June 2012 of Linda Herawati, SH., notary in Jakarta, MAYFIELD INVESTMENT Ltd., of British Virgin Island entered into the company as new shareholder. Since the time, the shareholders of the company are P.T. PURINUSA EKAPERSADA (59.6), MAYFIELD INVESTMENT Ltd., (3.6%) and Public (36.8%). The amendment to Deed has been approved by the Ministry of Law and Human Right of the Republic of Indonesia in its Decision Letter No. AHU-AH.01.10-26833 dated 23 July 2012.

As of 31 December 2014, the majority business stakes of the company is controlled by P.T. PURINUSA EKAPERSADA (60%) and the rest is owned by Publics (40%). Concurrently, the issued capital was raised to US\$. 651,679,000. In 2015 based on Notary Deed of Linda Herawati, SH., No. 50 dated 22 July 2015, concerning the change in composition of the Company's board of Commissioners and Directors. This amendment to Deed has been approved by the Minister of Law and Human Rights of the Republic of Indonesia through its Decree No. AHU-0940293.AH.01.02.Tahun 2015 dated 7 August 2015. The most recently by Notary Deed of Linda Herawati, SH., No. 33 dated June 12, 2017, concerning the change in composition of the Company's board of Directors and Commissioners. This amendment to Deed has been approved by the Minister of Law and Human Rights of the Republic of Indonesia through its Decree No. AHU-AH.01.03-0147953 dated June 20, 2017.

P.T. PURINUSA EKAPERSADA, a member company of the SINAR MAS Group of the APP Group is a very large-size private business group in the country headed by Mr. Eka Tjipta Widjaja AKA Oei Ek Tjhong and his family members.

P.T. PKTK ("the Company") is the largest paper making plant in Indonesia whose plant is located in Desa Kramat Temanggung, Kecamatan Tarik, Sidoarjo, East Java operating as from 1977. At the time of its inception, the Company produced only soda and other chemicals, but since 1978, the Company has had the capacity to produce 12,000 tons of paper products per year. Currently in 2015, the total annual production capacity of the Company was 1,277,000 tons for paper, 80,000 tons for packaging and 320,000 tons for stationery.

The main business activity of the Company presently is the production of writing and printing papers, both coated and uncoated. The Company also produces a wide range of converted stationery and office products such as exercise books, memo, notepad, loose leaf, spirals, envelopes, computer form, gift wrapping paper, shopping bags and fancy products which have gained good response from international markets. Its production is marketed by the SINAR MAS Group member who has controlled an extensive marketing network in many countries. Some 35% of the products are marketed locally and the rest of some 65% is exported to Asia countries (54%), Central East and Africa (24%), America (10%), Europe (9%) and Australia (3%).

Consolidated Operational Summary

Year	Production Volume (in thousands of tons)			
	2014	2015	2016	2017
Paper	929	832	810	768
Stationery	189	202	206	213
Industrial Paper	68	70	68	104

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.

Sales Volume (in thousands of tons)

Year	2014	2015	2016	2017
Paper	935	831	801	766
Stationery	190	202	195	208
Industrial Paper	54	52	51	74

In addition, P.T. PKTK has ownership interest of more than 50% in the following subsidiaries which are engaged in real estate, property, hotel, and information technology business. The table of P.T. PKTK's subsidiary companies shall be as follows:

Name of Subsidiary	Lines of Business	Start of Operations	% of Ownership	(In US\$) Total Assets (31 March 2018)
PT. Mega Kertas Pratama	Distributor	1996	99.20	8
Tjiwi Kimia Trading III (BVI)	Distributor	1996	100.00	46,805
Tjiwi Kimia Finance (Mauritius) Ltd.	Financing Company	1997	100.00	38,469
TK Trading Limited (Cayman Islands)	Distributor	1997	100.00	8,531
Tjiwi Kimia trading II Limited, Cayman Island	Distributor	1998	100.00	40,280
TK Import & Export Ltd., BVI	Distributor	2001	100.00	5,280
Tjiwi Kimia Finance B.V., the Netherlands	Financing Company	2004	100.00	5,662
Marshall Enterprise Ltd., Malaysia	Investment	2004	100.00	137,370
PT. Sumalindo Hutani Jaya	Forestry	1992	99.99	39,643

On July 15, 2013, the Company invests in P.T. OKI PULP & PAPER MILLS. The detail of this account as of December 31, 2017 is as follows:

Investee	Lines of Business	Number of Shares Held	% of Ownership	Carrying Values
PT. OKI Pulp & Paper Mills	Pulp and Paper Industry	302,302	49.08	578,886

According to the financial statement of the company having been audited by registered public accountant (Y. Santosa dan Rekan), the net sales/revenues of P.T. PKTK in 2014 amounted to US\$ 1,194.8 million with a net profit of US\$ 20.5 million declined to US\$ 1,062.5 million with a net profit of US\$.1.5 million in 2015 and dropped again to US\$ 996.9 million with a net profit of US\$ 7.7 million in 2016 and rose again to US\$ 1,011.7 million with a net profit of US\$ 27.3 million in 2017. As per 31 March 2018, its net sales/revenues were US\$ 275.9 million with a net profit of US\$ 47.4 million. Financial Statement of the Company per 31 December 2015, 2016, 2017 and as of

31 March 2018 is attached below. So far, we did not hear that the company having been black listed by the Central Bank (Bank Indonesia). The company usually pays its debts punctually to suppliers.

Since June 2017, the management of the company is headed by Mr. Suhendra Wiradinata (50) replaces Mr. Lu Teng Wei (53) as president director and CEO of the company. Mr. Wiradinata graduated from the Faculty of Economics majoring in Accounting of Trisakti University, Jakarta and obtained his Master's degree in Accounting from University of Indonesia in 2011. In daily activities, he is assisted by six directors namely Mr. Agustian Rachmansjah Partawidjaja (65), Mr. Hendra Jaya Kosasih (58), Mr. Anton Mailoa (53), Mr. Suresh Kilam (67), all as director, Mr. Baharudin (50) as independent director and Mr. Arman Sutedja (58) as Director and Corporate Secretary. The management has maintained a wide business relation among private national and foreign businessmen as well as among government agencies. So far, we did not hear that the company's management involved in the business malpractices or detrimental cases that settled in the country. The company's litigation record is clean and it has not registered with the black list of Bank of Indonesia.

P.T. PKTK 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.

Attachment:

**P.T. Pabrik Kertas TJIWI KIMIA Tbk
And Subsidiaries**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Per 31 December 2015, 2016, 2017 and as of 31 March 2018

DESCRIPTION	(in thousand US dollar)			
	31 March 2018	2017	2016	2015
1. ASSETS				
a. Current Assets				
- Cash and Cash Equivalent				
* Third Parties	81,689	123,519	105,551	43,322
* Related Parties	923	1,315	6,164	7,068
- Trade Receivable				
* Third Parties	95,699	99,281	60,793	47,300
* Related Parties	8,268	16,160	9,821	33,483
- Other Trade Receivable – net	2,779	4,618	3,801	2,525
- Inventories	255,872	233,569	251,220	274,883
- Advances and prepaid expenses	49,985	54,065	74,254	120,089
- Prepaid Taxes	18,434	25,977	28,960	24,948
- Other current assets				
* Third Parties	242,640	142,495	57,173	260,226
* Related Parties	7,032	4,235	1,037	15,487
Total Current Assets	763,321	705,234	598,774	829,331
b. Non-current Assets				
- Trade receivables – related parties	--	18,593	22,928	22,784
- Other receivables – related parties	135,896	135,764	136,302	140,738
- Deferred Tax Assets	1,454	1,449	905	1,995

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.

P.T. PABRIK KERTAS TJIWI KIMIA TBK - 532149

PAGE NO. : 13

- Investment in associated company	629,387	578,886	529,554	406,974
- Industrial Timber Estate	39,790	39,153	36,877	34,858
- Fixed assets – net of acc. depreciation	1,078,660	1,099,783	1,164,010	1,245,138
- Other non-current assets	1,990	2,013	1,932	2,055
Total Non-Current Assets	1,887,177	1,875,641	1,892,508	1,854,542
TOTAL ASSETS = TOTAL	2,650,498	2,580,875	2,491,282	2,683,873

**LIABILITIES
AND EQUITY**

2. LIABILITIES AND EQUITY

a. Current Liabilities

- Short term bank loans	348,750	329,142	202,200	345,557
- Murabahah payable	--	--	22,327	21,745
- Musyarakah financing	13,085	13,287	9,675	9,424
- Trade Payable				
* Third Payables	34,854	36,415	20,561	35,283
* Related Payable	28,434	15,391	70,718	51,770
- Other Payables – third parties	5,296	6,594	5,430	7,134
- Advances from customers				
* Third parties	16,867	16,516	17,855	21,747
* Related parties	54	97	805	624
- Accrued Expenses	9,324	8,248	8,721	9,611
- Taxes Payable	4,435	2,360	2,319	1,386
- Current maturities of long-term liabilities				
* Finance lease liabilities	26	25	223	604
* Bank loan	16,330	18,170	26,993	33,900
* Murabahah payable – third parties	631	624	--	--
* Loans, notes payable and bonds	43,644	43,529	41,556	40,290
Total Current Liabilities	521,730	490,398	429,383	579,075

b. Non-Current Liabilities

- Deferred Tax Liabilities	17,715	15,290	7,878	16,441
- Other Payables – related parties	8,135	7,390	6,741	4,739
- Employee Benefits Obligation	41,639	42,007	37,201	41,935
- Long term liabilities				
* Lease liabilities	44	51	274	804
* Bank loan	180,744	183,532	205,221	163,598
* Musyarakah financing – third party	7,270	7,381	7,443	7,249
* Murabahah payable – third parties	25,012	--	--	--
* Loans – net	160,776	158,954	162,229	171,291
* Notes payable and bonds	703,611	715,936	766,606	817,416
- Current maturities of long-term liabilities				
* Lease liabilities	(26)	(25)	(223)	(604)
* Bank loan	(16,330)	(18,170)	(26,993)	(33,900)

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.

P.T. PABRIK KERTAS TJIWI KIMIA TBK - 532149

PAGE NO. : 14

* Murabahah payable – third parties	(631)	(624)	--	--
* Loans, notes payable and bonds	(43,644)	(43,529)	(41,556)	(40,290)
Total Non-Current Liabilities	1,084,315	1,093,737	1,124,821	1,148,679
3. TOTAL EQUITY				
- Issued and Paid up Capital	684,810	684,810	651,679	651,679
- Additional paid in capital	29,215	29,215	29,215	28,965
- Difference arising from transaction	(1,986)	(1,986)	(1,986)	(1,986)
- Exchange differences due to financial statements translation	11,539	11,274	5,477	28,551
- Cumulative re-measurements	(6,534)	(6,559)	(1,123)	1,655
- Share on other comprehensive income	(362)	(362)	(230)	(119)
- Retained Earnings	327,771	280,348	254,046	247,374
Total Equity	1,044,453	996,740	937,078	956,119
3. INCOME STATEMENT				
a. Total/Net Sales	275,906	1,011,715	996,902	1,062,531
b. Cost of Goods Sold	(246,585)	(902,570)	(886,766)	(951,912)
c. Gross Profit	29,321	109,145	110,136	110,619
d. Operating Expenses	(18,399)	(83,065)	(99,198)	(97,593)
e. Operating Profit (Loss)	10,922	26,080	10,938	13,026
f. Other Income (Expenses)	38,915	9,462	(10,056)	(24,685)
g. Profit (Loss) Before Income Tax	49,837	35,542	882	(11,659)
h. Tax Benefit (Expense) - Net	(2,414)	(8,232)	6,771	13,111
i. Net Profit (Loss)	47,423	27,310	7,653	1,452

Note: As of 31 Dec.2015, 2016, 2017 and as of 31 March 2018 is audited by Y. Santosa dan Rekan

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupee
US Dollar	1	INR72.03
UK Pound	1	INR 94.99
Euro	1	INR 84.58
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 :	KET

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)

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.