

MIRA INFORM REPORT

Report No. :	533177
Report Date :	06.10.2018

IDENTIFICATION DETAILS

Name :	P.T. GUNA BANGUN JAYA
Formerly Known As :	P.T. GUNABANGUNJAYA KIMIA
Registered Office :	Jalan Tuparev No. 87, Cirebon, 45153 West Java
Country :	Indonesia
Date of Incorporation :	05.11.1996
Com. Reg. No.:	AHU-0003513.AH.01.02.TH.2015
Legal Form :	Limited Liability Company
Line of Business :	Manufacturing of Tile Adhesive.
No. of Employees :	150

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: while quoting report number, name and date.

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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

P.T. GUNA BANGUN JAYA

BASIC SEARCH

Name of Company:

P.T. GUNA BANGUN JAYA

Address :

Head Office

Jalan Tuparev No. 87

Cirebon, 45153

West Java

Indonesia

Phones - (62-231) 221318, 221319

Fax - (62-231) 245775

E-mail - lemkra@gmail.com

Website - <http://www.lemkra.co.id>

Building Area - 2 storey

Office Space - 100 sq. meters

Region - Commercial

Status - Rent

Factory

Jalan Raya Cirebon – Brebes Km. 7.5

Desa Waruduwur, Kecamatan Mundu

Cirebon, 45153

West Java

E-mail - lemkracare@gmail.com

Land Area - 7,000 sq. meters

Building Space - 5,000 sq. meters

Region - Commercial

Status - Rent

Date of Incorporation :

a. 5 November 1996 as P.T. GUNABANGUNJAYA KIMIA

b. 31 December 1997 as P.T. GUNA BANGUN JAYA

Legal Form :

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

Company Reg. No. :

The Ministry of Law and Human Rights

- No. C-2353 HT.01.01.TH.99

Dated 4 February 1999
- No. AHU-06974.AH.01.02.TH.2010
Dated 10 February 2010
- No. AHU-0003513.AH.01.02.TH.2015
Dated 6 March 2015

Company Status :

National Private Company

Permit by the Government Department :

The Department of Finance
NPWP No. 01.785.973.7-426.000
The Department of Industry and Trade
TDP No. 10221300382
Dated 31 August 1999

Related Companies :

- a. P.T. GUNA JAYA TEHNIK (Trading and Distribution)
- b. P.T. PANCA INDAH ROTAN (Furniture Rattan Industry)

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. Gunawan Tjahjadi** - Rp. 600,000,000.-
Address : Jl. Garuda III No. 06
Cirebon, West Java
Indonesia
- b. Mr. Rheza Budiarto Tjahjadi** - Rp. 100,000,000.-
Address : Jl. Garuda III No. 06
Cirebon, West Java
Indonesia
- c. Mrs. Christina Indriati Tjahjadi** - Rp. 100,000,000.-
Address : Jl. Garuda III No. 06
Cirebon, West Java
Indonesia
- d. Mr. Stefano Tjahjadi** - Rp. 100,000,000.-
Address : Jl. Garuda III No. 06
Cirebon, West Java
Indonesia
- e. Mr. Ivan Tjahjadi** - Rp. 100,000,000.-
Address : Jl. Garuda III No. 06
Cirebon, West Java

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Indonesia

BUSINESS ACTIVITIES

Lines of Business :

Tile Adhesive Manufacturing

Production Capacity :

Tile Adhesive - 25,500 tons p.a.

Total Investment :

Owned Capital - Rp. 1.0 billion

Started Operation :

1997

Brand Name :

LEMKRA

Technical Assistance :

None

Number of Employee :

150 persons

Marketing Area :

Local - 100%

Main Customer :

Building Material Distributors and Building Contractors

Market Situation :

Very Competitive

Main Competitors :

- a. P.T. ADIYASHA RADHYA
- b. P.T. ESA SARANA ANUGRAH
- c. P.T. RANGALO CLP WATERPROOFING
- d. P.T. SIKAFIX TILE ADHESIVE

Business Trend :

Growing

BANKER, AUDITOR & LITIGATION

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Bankers:

- a. P.T. Bank MANDIRI Tbk
Jalan Pekalipan No. 17
Cirebon, West Java
Indonesia
- b. P.T. Bank CENTRAL ASIA Tbk
Jalan Yos Sudarso No. 27
Cirebon, West Java
Indonesia

Auditor :

Internal Auditor

Litigation :

No litigation record in our database

FINANCIAL FIGURE

Annual Sales (estimated) :

2015 – Rp. 40.0 billion
2016 – Rp. 44.0 billion
2017 – Rp. 48.0 billion
2018 – Rp. 26.0 billion (January – June)

Net Profit (estimated) :

2015 – Rp. 3.2 billion
2016 – Rp. 3.5 billion
2017 – Rp. 3.8 billion
2018 – Rp. 2.1 billion (January – June)

Payment Manner :

Average

Financial Comments :

Fairly strong

KEY EXECUTIVES

Board of Management :

Director - Mr. Gunawan Tjahjadi

Board of Commissioners :

Commissioner - Mrs. Christina Indriati Tjahjadi

Signatories :

Director (Mr. Gunawan Tjahjadi) which must be approved by Board of Commissioner

CAPABILITIES

Management Capability :

Good

Business Morality :

Good

OVERALL PERFORMANCE

Initially named P.T. GUNA BANGUNJAYA KIMIA, it was established in Cirebon, West Java in November 1996 with the authorized capital of Rp. 200,000,000 of which Rp. 100,000,000 was issued and fully paid up. The founding shareholders of the company are Mr. Gunawan Tjahjadi and his mother Mrs. Fondawati Lawadinata, both are Indonesia entrepreneurs of Chinese extraction. The articles of association of the company have frequently been revised. In February 1998, the company renamed to P.T. GUNA BANGUN JAYA (P.T. GBJ). Later based on notary deed of Mr. Drs. Ari Sandhi Irawan, SH., No. 11 dated 11 January 2010 the company authorized capital was increased to Rp. 1,000,000,000 wholly issued and paid up. On the same occasion his mother Mrs. Fondawati Lawadinata pulled out and replaced by his son and daughter namely Mr. Rheza Budiarto Tjahjadi, Mrs. Christina Indriati Tjahjadi, Mr. Stefano Tjahjadi and Mr. Ivan Tjahjadi as new shareholders. With this time the composition of its shareholders has been changed to become Mr. Gunawan Tjahjadi (60%), Mr. Rheza Budiarto Tjahjadi (10%), Mrs. Christina Indriati Tjahjadi (10%), Mr. Stefano Tjahjadi (10%) and Mr. Ivan Tjahjadi (10%). Lastly based on revision notary deed Mr. Suhartono Hakim Djajadiputra Jasin, SH., no. 06 dated 3 March 2015 the shareholders approved re-elected the board of director and commissioner of the Company. The amendment was approved by the Ministry of Law and Human Rights in its decision letter No. AHU-0003513.AH.01.02.TH.2015 dated March 6, 2015.

P.T. GBJ has been in operation since 1997 dealing with adhesive industry by managing and developing a plant located at Jalan Raya Cirebon – Brebes Km. 7.5, Waruduwur village, Mundu district, Cirebon, West Java standing on 7,000 sq. meters land. The plant location is near the location of the plant of its sister company P.T. PANCA INDAH ROTAN. Adhesive products produced by P.T. GBJ are adhesives for floor and wall ceramics. The products consist of several types like FK 101, FK 103, FK 111 and others. Besides, P.T. GBJ also produces FS NAT used to fill hollow spaces in ceramic installation. In the last five years, P.T. GBJ has also produced waterproofing for coating roofs. Whole products of P.T. GBJ are marketed under LEMKRA brand.

Lemkra is thin adhesive designed "Heavy Duty Product", is best used for the installation of ceramic, granite, marble, natural stone, layers of waterproofing, coating and finishing. Lemkra is adhesive based on cement (Cement Base) with a mixture of silicon / latex and chemicals from Germany is very well used as an adhesive in the room (interior) and outdoor (exterior). Lemkra product uses technology developed from Germany (Germany Technology). Whole products of P.T. GBJ are locally marketed by its distributor P.T. GUNA JAYA TEKNIK. The customers of the company include building material distributors, contracting companies and others. To expand its distribution networks, the company also opens its brand office in Jakarta, Bekasi, Bandung, Semarang, Surabaya

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as well as Cirebon. The operation of P.T. GBJ has been running smoothly in the last five years in line with the increasing adhesive demand for ceramic installation and waterproofing in property sector.

Generally, demand for instant cement in the country has been increasing by 6% to 8% per annum in the last four years. Entering 2018, the Company has prepares itself in anticipation of a slowing growth in the infrastructure sector. 2018 will be a challenging year where, in addition to the high level of business competition, there will also be 171 provincial and district level elections. ASI estimates that domestic cement consumption growth in 2018 will not be as high as 2017. ASI estimates that domestic cement consumption will only grow in the range of 4%-5% in 2018. The government budget allocated for infrastructure development in 2018 is valued at Rp410.7 trillion, or an increase of 6.04% compared to Rp 388.3 trillion in 2017. In addition the continuous increase in energy costs will see coal price rises, and the domestic cement industry in 2018 is expected to have an over-supply of around 38 million tons. This will cause the utilization rate for cement manufacturers to average only 65% to 68% of installed capacity. The business position of P.T. GBJ is favorable for having established wide relation and business networks in country.

Until this time P.T. GBJ has not been registered with Indonesian Stock Exchange, so that they had not obliged to announce their financial statement. The management of the company 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. 40.0 billion increased to Rp. 44.0 billion in 2016 increased to Rp. 48.0 billion in 2017. As from January to June 2018 the sales turnover has amounted at Rp. 26.0 billion with a net profit of Rp. 2.1 billion. Its projected the sales will be higher by at least 5% in 2019. 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. GBJ is led by Mr. Gunawan Tjahjadi (56), with 17 years experience in tile adhesive industry and trading. Besides that, he is also Director of P.T. PANCA INDAH ROTAN and P.T. GUNA JAYA TEHNIK. The management is backed by expert and professional staffs in the above business. They maintain wide relation with businessmen as well as with government sector. So far, we did not hear that the company has been filed to the court for controversial cases. The company's litigation record is clean and it has not registered with the black list of Bank of Indonesia. P.T. GUNA BANGUN JAYA is sufficiently fairly good for business transaction.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.58
UK Pound	1	INR 95.89
Euro	1	INR 84.70
IDR	1	INR 0.0049

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

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	NIT

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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)