

MIRA INFORM REPORT

Report No. :	533785
Report Date :	10.10.2018

IDENTIFICATION DETAILS

Name :	PT. BORNEO INDOBARA
Registered Office :	Sinar Mas Land Plaza Menara 2, Lantai 6-7, Jl. M.H. Thamrin No. 51, RT.009 RW.004, Kelurahan Gondangdia, Kecamatan Menteng, Kota Jakarta Pusat 10350, DKI Jakarta
Country :	Indonesia
Financials (as on) :	31.12.2016
Date of Incorporation :	21.12.1990
Com. Reg. No.:	AHU-AH.01.03-0096225
Legal Form :	Private Limited Liability Company or Perseroan Terbatas (PT)
Line of Business :	Mining of Coal and Lignite
No. of Employees :	Per 2018 250

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 :	Good
Payment Behaviour :	No Complaints
Litigation :	Exist

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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 IDENTIFICATION

Company Name	PT. BORNEO INDOBARA
Address	Sinar Mas Land Plaza Menara 2, Lantai 6-7, Jl. M.H. Thamrin No.51, RT.009 RW.004 Kelurahan Gondangdia, Kecamatan Menteng Kota Jakarta Pusat 10350 DKI Jakarta - Indonesia
Telephone	+622150186888
Fax	+622131905870
Mobile Phone	N.A.
Email	N.A.
Web	N.A.

PROFILE

Address	Sinar Mas Land Plaza Menara 2, Lantai 6-7, Jl. M.H. Thamrin No.51, RT.009 RW.004 Kelurahan Gondangdia, Kecamatan Menteng Kota Jakarta Pusat 10350 DKI Jakarta - Indonesia
Office Building	a. Area - Commercial b. Status - Leased
Date Of Establishment	- 21 December 1990
Start Operation	Commercially operation in 2005
Legal Status	Private Limited Liability Company or Perseroan Terbatas (PT)
Legalization (historical)	<u>No. C2-12.173.HT.01.01.TH.94</u> <i>Dated, 12 August 1994</i> <u>No. AHU.45041.AH.01.02.Tahun 2010</u> <i>Dated, 22 September 2010</i> <u>No. AHU-AH.01.10-04322</u> <i>Dated, 29 January 2014</i> <u>No. AHU-AH.01.03-0096225</u> <i>Dated, 01 March 2017</i> <u>Kementerian Perdagangan</u> SIUP - 00195-01/PB/P3/1.824.271 <i>Dated, 2011</i> <u>Kementerian Energi dan Sumber Daya Mineral</u> Business License - 10.K/40.00/DJB/2006 <i>Dated, 17 February 2006</i>
Government Permit (s)	

Direktorat Jenderal Pajak
NPWP - 01.534.409.6-091.000

Significant change

PT. Borneo Indobara (the Company) was established on December 21, 1990, in Banjarmasin - South Kalimantan with the authorized capital of IDR 5,500 million, of which IDR 3,500 million was issued and paid up. Meanwhile, the structures of shareholders were Mr. Haryanto (20.000%), Mr. Basuni Abdullah (30.000%), Mr. Hartono (30.000%), Mr. Awang Sumargo (10.000%) and Mrs. Melyani (10.000%).

On January 23, 2014, the authorized capital increased to IDR 700,000 million, of which IDR 185,613 million was issued and paid up. Meanwhile, the structures of shareholders were PT. Gerak Bangun Jaya (0.600%), PT. Roundhill Capital Indonesia (99.070%) and Mr. Ge Haryanto (0.330%).

On February 7, 2017, the Company published a notarial act, yet without a change in its capitalization and shareholders structures.

As far as we know, there has been no change in the Company's notarial act as published by the Ministry of Justice

Capitalization	IDR 700,000,000,000
- Authorized Capital	IDR 185,613,000,000
- Issued Capital	IDR 185,613,000,000
- Paid Up Capital	

SHAREHOLDERS & MANAGEMENT

Shareholders

Total No. of Shareholders: 3
Shareholders as *01 March 2017*
Total Shareholding private - 185,613 shares

Name of Shareholders

- PT. Gerak Bangun Jaya
(1,113 shares) - 0.600%
- PT. Roundhill Capital Indonesia
(183,887 shares) - 99.070%
- Mr. Ge Haryanto
(613 shares) - 0.330%

Management Board

Name	Mr. Suwandi
Position	President Director
Nationality	Indonesian
Name	Mr. Biddala Chenna Kesava Reddy
Position	Vice President Director
Nationality	Indian
Name	Mr. Sriyono Heru Purnomo
Position	Director
Nationality	Indonesian
Name	Mr. Kumar Krishnan
Position	Director

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Nationality	Indian
Name	Mr. R. Utoro
Position	Director
Nationality	Indonesian
Name	Mr. Leo Bambang Susanto
Position	Director
Nationality	Indonesian
Supervisory Board	
Name	Mr. Fuganto Wijdaja
Position	President Commissioner
Nationality	Indonesian
Name	Mr. Avinash Ramakant Shah
Position	Vice President Commissioner
Nationality	Indian
Name	Mr. Bonifasius
Position	Commissioner
Nationality	Indonesian
Management Assessment	The management is deemed to have sufficient experience and industry expertise to manage the subject properly.
Authorized Signatories	Mr. Suwandi as President Director, Mr. Biddala Chenna Kesava Reddy as Vice President Director, Mr. Kumar Krishnan, Mr. Leo Bambang Susanto, Mr. Sriyono Heru Purnomo, Mr. R. Utoro as Directors which must be approved by shareholders meeting.
Affiliate (s) / Associate (s)	<ul style="list-style-type: none"> - Sinar Mas Group (Unlimited Company) - PT. Maskapai Perkebunan Leidong West Indonesia (Growing of oleaginous fruits) - PT. Tapian Nadenggan (Manufacture of oils and fats) - PT. Rama Flora Sejahtera (Manufacture of oils and fats) - PT. Satya Kisma Usaha (Manufacture of oils and fats) - PT. Sangatta Andalan Utama (Manufacture of oils and fats) - PT. Perusahaan Perkebunan Panigoran (Manufacture of oils and fats) - PT. Berau Sarana Jaya (Growing of oleaginous fruits) - PT. Kresna Duta Agroindo (Growing of oleaginous fruits) - PT. Roundhill Capital Indonesia (Activities of holding companies) - PT. Gerak Bangun Jaya (Activities of holding companies) - PT. Alam Sumber Rahma (Manufacture of oils and fats)

KEY DATA ON OPERATIONS

Registered Activities	SIC Code 05	:	Mining of coal and lignite
Employee	Per 2017		250
	Per 2018		250
Business Category	SIC Code 05.1	:	Mining of hard coal
Line of Business	SIC Code 05.10	:	Mining of hard coal
Product & Capacity			- Coal - 17,200,000 tons p.a.
Status of Investment			Non-facilities based Company
Sales Territory	Local		25%
	International		75%
Main Items Imported And Country Origin			N.A.
Main Items Exported And Country Destination			- Coal - Singapore - Coal - Japan - Coal - China - Coal - United Arab Emirates - Coal - South Korea - Coal - Thailand
Major Customers			- PT. Golden Energy Mines Tbk - PT. Pindo Deli Pulp and Paper Mills - PT. Indah Kiat Pulp and Paper Tbk - PT. Lontar Papyrus Pulp & Paper Industry - PT. Sinar Mas Tunggal - PT. Dwi Guna Laksana - PT. Eksploitasi Energi Indonesia Tbk
Major Suppliers			- PT. Trans Coalindo Pratama - PT. Samudera Shipping Services - PT. Malindo Mandiri Makmur - PT. Cipta Kridatama - PT. Perusahaan Perseroan (persero) Pt. Tambang Batubara Bukit Asam Tbk - PT. Buana Karya Bhakti - PT. Saptaindra Sejati - PT. Wira Bhumi Sejati

Terms of Payment

- PT. Bangun Arta Utama
- PT. Putra Perkasa Abadi

Purchase Payment

- Domestic : Telegraphic Transfer (T.T.) with Credit Term 60-120 days / Based on agreement
Overseas : N.A.

Sale Term

- Domestic : Telegraphic Transfer (T.T.) with Credit Term 60-120 days / Based on agreement
Overseas : Telegraphic Transfer (T.T.) with Credit Term 60-120 days / Based on agreement

Activity Comment

PT. Borneo Indobara (the Company) is a non-facilities based company that is engaged in the coal industry since 2005. The Company's head office is located in a commercial area at Sinar Mas Land Plaza Menara 2, Lantai 6-7, Jl. M.H. Thamrin No.51, RT.009 RW.004, Kelurahan Gondangdia, Kecamatan Menteng, Kota Jakarta Pusat 10350, DKI Jakarta - Indonesia. We believe this location is leased from other parties. Meanwhile, the mining site is located in Tanah Bumbu, South Kalimantan.

The Company is a member of Sinar Mas Group, one of the largest conglomerate groups in Indonesia.

The Company obtained the permission from the government of the Republic of Indonesia as represented by PT. Tambang Batubara Bukit Asam (Persero) Tbk in Coal Contract of Work (CCoW) No. 007/PK/PTBA-BI/1994 dated August 15, 1994.

Based on the changes in CCoW between PT. BA and the Company dated on June 27, 1997, and effective on July 1, 1997, all of the PTBA rights and obligations in CCoW have been transferred back to the government of the Republic of Indonesia which was represented by the Ministry of Mining and Energy (currently the Ministry of Energy and Mineral Resources).

The Company began its active phase of exploration and infrastructure development in 2005 and began the stage the exploitation of coal in 2008 with the area of Coal Mining Concession Working Agreement with a concession area of 24,100 h.a, with an estimated 1.78 billion tons of exploitable coal that is reserved up until the year 2036.

The concession area is divided into 4 mining blocks: Batulaki block, Sebamban Bawah block, Sebamban Atas block (Kusan), and Girimulya block. Whereas, the block that has been in the stage of coal exploitation is Batulaki block, Sebamban Bawah (Lower) and Sebamban Atas (Upper) (Kusan).

Batulaki block has an area of 2792.16 h.a in accordance with the results of exploration drilling and infill drilling as much as 387 holes, that are estimated to have 12.5 KMt of measured coal reserves. In Batulaki block, there are 2 pits, for now, Guntur pit and northern Batulaki pit as well.

The access road used to reach this block location is still using the road constructed by the company PT. Buana Karya Bhakti (PT.BKB), which is engaged in the palm oil industry. In terms of coal quality for Batulaki block, it has a calorie value ranges from 5500-5700 Kcal/Kg.

At Sebamban Bawah block, it has an area of 5717.18 h.a that matches with the results of drilling exploration and infill drilling as many as 106 holes that are estimated to have extra coal measured at 9.7 KMt. In the Sebamban Bawah block, there are 3 pits for now: Baratayudha pit, Andaru pit, and Banjarsari pit. In terms of coal quality, the Sebamban Bawah block has a calorific value ranging from 5200-5400 Kcal/kg.

In Sebamban Atas (Kusan) block, it has an area of 8586.66 h.a that matches with the result of drilling exploration and infill drilling as much as 660 holes. In this block, for now, there is the only Pancanoko pit that is in the stage of coal exploitation and also the construction of other supporting infrastructure. In terms of stone quality, this block has a Calori Value around 5200-5300 Kcal/Kg.

As for the Girimulya block, it has an area of 7004 h.a that matched the results of drilling exploration and infill drilling, which as much as 207 holes. This block is still in the exploration stage of open hole drilling and coring drilling, which will be used to determine the mining method and also to determine the reserved resources of coal block. In terms of coal quality, Girimulya block has a Calori Value ranging from 5100-5200 Kcal/Kg.

In its operation, the Company uses two (2) ports: Bunati Port with a capacity of 3,000,000 MT/Year and Abidin Port 2,500,000 MT/Year and there are 3 companies that cooperate with the Company as contractors, PT. Sapta Indra Sejati (PT.SIS), PT. Wira Bhumi Sejati (WBS) and PT. Build Arta Utama (PT.BAMA).

According to the data released by the Directorate General of Mineral and Coal, the total production of the Company in 2014 was 4,295,831,07 tons and in the 2015 amounted to 6,300,000 tons. Meanwhile, in 2016, the Company obtained permission from the Government to increase its production capacity to 7.5 million tons per year.

In 2017, the Company managed to produce as much as 13.3 million tons. And in this year, 2018, the Company has obtained production approval from the government of 17.2 million tons.

For customers, the Company distributes to many industries in several members of Sinar Mas Group. Among them are PT. Golden Energy Mines Tbk, PT. Pindo Deli Pulp and Paper Mills, PT. Indah Kiat Pulp & Paper Tbk, PT. Lontar Papyrus Pulp and Paper Industry and PT. Sinar Mas Tunggal, to name a few. The Company also exported 50% of total production to some of its customers.

Among them are Oleander Financial Pte. Ltd., of Singapore, Visa Resources Pte. Ltd., of Singapore, Noble Resources International Pte Ltd. of Singapore, Marubeni Corporation of Japan,

Guangzhou Lifesource Energy of China, Adani Global FZE of UAE, Inpack Global Co., Ltd. of South Korea, and Asia Green Energy Public Co. Ltd., of Thailand.

To support operational activities, from upstream to downstream, the Company is supported by several companies, among them are PT. Trans Coalindo Pratama, PT. Samudera Shipping Services, PT. Malindo Mandiri Makmur and PT. Cipta Kridata.

However, during 2014, the activities were discontinued, since there was a ban on raw mineral issued by government regulations at the beginning of 2014. Another reason is the coal price that have not been recovered. Currently, the Company focuses on the domestic sector only. Therefore, in 2014 the Company experienced a significant decline in sales.

However, since 2015, the Company's performance began to recover. Along with the increase in production permits obtained by the Company, revenue from the Company also increased. The Company production continues to increase up to this third quarter of 2018.

In the first semester of 2018, production of the Company became 8.02 million tons or experienced a 26% increase compared to the same period in 2017. From the total production, 6.3 million tons were exported by the Company to overseas markets. And seeing the number of production permits obtained by the Company for 2018, we believe sales of the Company will continue to experience an increase in this year.

In addition, to improve its performance, the Company is also eyeing a project to supply coal to a new power plant owned by PT. PLN (Persero), namely PLTU Kalteng-1 and PLTU Kendari-3. For the Kendari-3 PLTU construction on December 31, 71% and the end of April 2018 rose to 81% and targeted in 2019. Kendari-3 PLTU is targeted to require coal supply of 500,000 tons per year.

Based on data from the Directorate General of Mineral and Coal as of August 2018, the Company is included in one of the 10 Largest Coal Exporting Companies of the Republic of Indonesia.

As a form of its responsibility towards the environment, the Company carries out various Corporate Social Responsibility (CSR) activities including empowerment programs, public health, education, fishponds, hydroponics, carts distribution for small and medium enterprises, book distribution, building Tahfiz (Islamic religious) houses and 10 Local School Rooms in Kusan Hulu. In 2018, the Company 2018 will further strengthen CSR in agriculture and animal husbandry.

In this October 2018, the Company is supported by approximately 250 employees or similar with 2017.

Litigation

On September 20, 2013, the Company as the defendant (Defendant), encountered a civil case registered in the Batulicin State Court No. 018/Pdt.G/2013/PN.Btl dated September 16, 2013, filed by H. Riduansyah (Plaintiff I) and H. Mahfud Hadirat

Dawiya (Plaintiff II), relating to the claim submitted by Plaintiff I 'and Plaintiff II on the 70 hectares of land located inside of the Company's mining area which has been already granted with the Borrow-Use Permits for Forest Areas under Minister of Forest'] Decree Number SK.288/Menhut-II/2010 dated 27 April 2010.

The lawsuit was also addressed to] the Minister Of Energy and Mineral Resources of the Republic of Indonesia (Co-defendant I) and the Minister of Forestry Republic of Indonesia (Co-defendant II). Based on the case filed, the Plaintiff I and Plaintiff II claimed from the Defendant a compensation of IDR 78,750,000,000. On March 20, 2014, Batulicin State Court decided to reject the lawsuits submitted by the Plaintiffs.

On April 1, 2014, Plaintiff I has filed an appeal to the High Court of Banjarmasin and then on November 6, 2014, the Banjarmasin High Court through its Decision No. 43/PDT/2014/PTBJM has strengthened and agreed with the Decision of Batulicin District I Court No. 18/Pdt.G./2013/PN.Btl.

On January 6, 2015, the Plaintiff I has filed a Memory of Appeal to Supreme Court against the Decision of the Banjarmasin High Court No. 43/PDT/2014/PTBJM. On February 26, 2015, the Company has filed a Counter-Memory of Appeal to the Supreme Court on Memory of Appeal to Supreme Court that filed by the Plaintiffs.

On September 28, 2016, the High Court of Banjarmasin stated that the Supreme Court Decision No. 1361K/Pdt.G/2015 Jo. No. 43/PDT/2014/PT.bjm Jo. No.18/Pdt.G/2013/PN.Btl dated June 23, 2016, has permanent legal force.

Sources

Ms. Yulita (Finance staff of the Company, contacted on October 9, 2018)

Site Address

Kab. Tanah Bumbu
Kalimantan Selatan - Indonesia
Phone : N.A.
Fax : N.A.
Email : N.A.-

BANKING INFORMATION

**Banker (s)
Insurance**

- PT. Bank Central Asia Tbk
- Badan Penyelenggara Jaminan Sosial (BPJS)

BUSINESS PROSPECTS

Business Prospects

Domestic coal production in 2018 is projected to remain above the target of the National Medium Term Development Plan (Rencana

Pembangunan Jangka Menengah Nasional) for the period of 2015 - 2019.

Based on the Plan, the coal production target in 2018 is 406 million tons. With an estimated 10% higher than the target, coal production in 2018 could reach 446.6 million tons.

The amount is not much different from the projection of coal production in 2017, which was about 450 million tons, or with the realization of production over the past year as many as 456 million tons.

Director of Coal Development of the Ministry of Energy and Mineral Resources said that from the work plan and budget proposed by coal companies that have coal mining business concession agreement, the production plans vary.

Some coal companies have a plan to lower production in 2018. However, there are also some companies that are still boosting coal production.

Ministry of Energy and Mineral Resources hopes that the realization of coal production in 2018 can be reduced to close to the target of the Plan. However, with the existing proposal so far, most likely the realization of coal production in 2018 could be around 10% above the target of Plan.

The government claims to have difficulties in controlling national coal production. The reason is that every year many companies are increasing their status from exploration activities into production operations.

This year, the coal production target is 413 million tons. However, the proposed production by the Company reached 477.91 million tons.

Since this year's coal production is still predicted to be above the national target, we are confident that the biggest obstacle is marketing, which is currently underway in several major countries that use coal, and with the government's role in this regard, we believe this sector still very prospective in the future.

FINANCIAL STATEMENT

Sales Turn Over

- 2015 - USD 199,030,627 (Financial statement ended of December 31)
- 2016 - USD 222,955,116 (Financial statement ended of December 31)
- 2017 - USD 395,373,740 (Estimated)

Total Assets

- 2015 - USD 102,083,725 (Financial Statement ended of December 31)
- 2016 - USD 94,976,812 (Financial Statement ended of December 31)
- 2017 - USD 190,529,519 (Financial Statement of PT.

Other Financial Data

Golden Energy Mines Tbk, ended of December 31)
- 2018 - USD 180,048,358 (Financial Statement of PT.
Golden Energy Mines Tbk, as of June 30)

On October 25, 2010, the Company obtained a credit facility from PT. Golden Energy Mines Tbk (formerly PT. Bumi Kencana Eka Sakti) (GEMS) with the maximum amount of USD 9,500,000. This loan bears interest at 8% p.a. and has matured on October 24, 2011.

As of December 31, 2010, the remaining balance of USD 9,500,000 (equivalent to IDR 85,414,500,000) was recorded as part of due to related parties in the 2010 balance sheet.

On December 8, 2010, the Company obtained a credit facility from PT. Dian Swastatika Sentosa Tbk with the maximum amount of USD 7,250,000. This loan bears interest rate at 8% p.a and has matured on December 31, 2011. As of December 31, 2010, the outstanding balance amounted to USD 7,250,000 (equivalent to IDR 65,184,750,000) and was presented as part of due to related parties in the 2010 balance sheet.

Purwanto, Sungkoro & Surja

PT BORNEO INDOBARA

STATEMENT OF FINANCIAL POSITION

per 31 December 2016 & 2015

(Expressed in USD, unless otherwise stated)

	December 31	
	2016	2015
	Audited	
CURRENT ASSETS		
Cash on hand and in banks	789,950	2,117,599
Trade Receivable		
Related party	332,738	-
Third parties, net	34,347,698	26,568,997
Other receivables - third parties	4,420	4,306
Inventory	3,993,718	6,326,254
Prepaid expenses and other current assets	19,291,432	11,742,372
Total Current Assets	58,759,956	46,759,528

NON CURRENT ASSET

Deferred tax assets	1,387,259	1,275,297
Property and equipment, net	28,850,349	31,316,789
Mine properties, net	376,990	14,754,037
Restricted funds	562,667	224,769
Other non-current assets	5,039,591	7,753,305
Total Non Current Assets	36,216,856	55,324,197

TOTAL ASSETS	94,976,812	102,083,725
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LIABILITIES AND EQUITY

LIABILITIES

CURRENT LIABILITIES

Trade Payable		
Related party	3734	-
Third parties	19,789,645	27,973,794
Other payables - third parties	112,005	48,168
Tax payable	9,156,753	855,442
Due to related party	-	38,886,577
Accrued expenses	3,695,732	2,544,740
Advance from customers - third parties	200,250	200,250
Total Current Liabilities	32,958,119	70,508,971

NON CURRENT LIABILITIES

Due to related parties	18,337,505	-
Employee benefits liability	1,120,917	718,253
Other non-current liability	1,439,946	1,395,751

Total Non Current Liabilities	20,898,368	2,114,004
TOTAL LIABILITIES	53,856,487	72,622,975
Equity		
Capital stock	21,561,153	21,561,153
Retained earnings		
Appropriated	227,719	190,219
Unappropriated	19,074,328	7,438,530
Other comprehensive incom	257,125	270,848
Total Equity	41,120,325	29,460,750
TOTAL LIABILITIES AND EQUITY	94,976,812	102,083,725

Purwanto, Sungkoro & Surja

PT Borneo Indobara

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

per 31 December 2016 & 2015

(Expressed in USD, unless otherwise stated)

	December 31	
	2016	2015
	Audited	
Net Sales	222,955,116	
Cost of Goods Sold		199,030,627
Gross Profit	(138,961,407)	(142,898,330)
	83,993,709	56,132,297
Operating Expenses		
Selling Expenses	(19,199,283)	(28,477,778)

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General and administrative expenses	(20,147,636)	(19,063,775)
Exploration expenses	(151,943)	(77,777)
Finance income	101,720	82,314
Gain (loss) on foreign exchange, net	(734,419)	293,902
Finance expenses	(4,504,870)	(4,327,440)
Other expenses, net	(314,092)	(431,157)
PROFIT BEFORE FINAL TAX AND CORPORATE INCOME TAX	39,043,186	4,130,586
Final tax expenses	(20,344)	(16,463)
PROFIT BEFORE CORPORATE INCOME TAX	39,022,842	4,114,123
CORPORATE INCOME TAX EXPENSE (BENEFIT)		
Current	10,073,446	1,469,070
Deferred	(107,388)	(118,339)
Total corporate income tax expense	9,966,058	1,350,731
PROFIT FOR THE YEAR	29,056,784	2,763,392
OTHER COMPREHENSIVE INCOME THAT WILL NET OF TAX		
Item not be reclassified to profit or loss		
Actuarial gain (loss)	(13,723)	64,899
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	29,043,061	2,828,291

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CREDITWORTHINESS

Management Capability	Good
Business Morality	Good
Payment Manner	No Complaints
Financial Condition	Satisfactory
Operating Trend	Up
Conclusive remarks	<p>We discovered that the Company is engaged in the coal industry. The Company began its active stages of exploration and infrastructure development in 2005 and began a phase of coal exploitation in 2008 with the area of Coal Mining Concession Works with a concession area of 24,100 hectares with an estimated 1.78 billion tonnes of exploitable coal reserves up to the year 2036.</p> <p>The Company is currently only focusing on the domestic market, which meets the needs of production in the industry. Some of its current customers are SINAR MAS GROUP members engaged in the paper such as PT. Golden Energy Mines Tbk, PT. Pindo Deli Pulp and Paper Mills, PT. Indah Kiat Pulp & Paper Tbk, PT. Lontar Papyrus Pulp and Paper Industry and PT. Sinar Mas Tunggal.</p> <p>In term of performance, the sales of the Company was still increasing since the last three (3) years, particularly in 2017 in accordance with the increased production capacity of the Company. In 2015 amounted to 6,300,000 tons. Meanwhile, in 2016, the Company obtained permission from the Government to increase its production capacity to 7.5 million tons per year. In 2017, the Company managed to produce as much as 13.3 million tons. In this year, 2018, the Company has obtained production approval from the government of 17.2 million tons. In addition, to improve its performance, the Company also targeted the project to supply coal to the 2 new power plant projects owned by PT. PLN (Persero). Therefore, we believe the Company's revenue will continue to increase.</p> <p>With the support from Sinar Mas Group, we believe the Company can manage its risk properly. So we conclude the Company at Medium to Low Risk.</p> <p>For security reason, we advise those wishing to make cooperation with and to grant loans to the Company to ask for adequate collateral from the owners and management.</p>

FOREIGN EXCHANGE RATES

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Currency	Unit	Indian Rupees
US Dollar	1	INR 74.10
UK Pound	1	INR 96.99
Euro	1	INR 85.11
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 :	TPT

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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)