

## MIRA INFORM REPORT

Report No. :	533974
Report Date :	13.10.2018

### IDENTIFICATION DETAILS

Name :	P.T. SAMCON
Registered Office :	Jl. Raya Subang, Kp. Kiara Duta, RT.002/RW.003, Cikumpay Sub-district, Cempaka District, Purwakarta 41181, West Java
Country :	Indonesia
Financials (as on) :	2017 [Summarized]
Date of Incorporation :	12.03.1997
Com. Reg. No.:	AHU-AH.01.03-0211988
Legal Form :	Limited Liability Company
Line of Business :	Electronic Component Manufacturing
No. of Employees :	410

### RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> 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 :

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**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

## **BASIC SEARCH**

**Name of Company :**

**P.T. SAMCON**

**Address :**

**Head Office & Factory**

Jl. Raya Subang, Kp. Kiara Duta, RT.002/RW.003,  
Cikumpay Sub-district, Cempaka District,  
Purwakarta 41181, West Java  
Indonesia

Phones - (62-264) 216 882 - 7  
Fax - (62-264) 216 901 - 2  
Land Area - 12,000 sq. meters  
Building Area - 8,500 sq. meters  
Region - Industrial Zone  
Status - Rent

**Date of Incorporation :**

12 March 1997

**Legal Form :**

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

**Company Reg. No. :**

**The Ministry of Law and Human Rights**

- a. No. C2-1984.HT.01.01.TH.1998  
Dated 20 March 1998  
b. No. AHU-AH.01.03-0211988  
Dated 04 June 2018

**Company Status :**

Foreign Investment Company (PMA)

**Permit by the Government Department :**

**The Department of Finance**

NPWP No. 01.072.003.5-055.000

**Related/Affiliated Company :**

A member of the SAMWHA CAPACITOR Group of Korea

## **CAPITAL AND OWNERSHIP**

**Capital Structure :**

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Authorized Capital	- Rp. 22,007,280,000.-
Issued Capital	- Rp. 21,120,000,000.-
Paid up Capital	- Rp. 21,120,000,000.-

**Shareholders/Owners :**

**a. SAMWHA CAPACITOR Co. Ltd., - Rp. 21,109,920,000.- (99.95%)**

Address : 124, Buk-Ri Namsa-Myun,  
Young-In City, Kyungki-Do  
South Korea

**b. Mr. Lee Kun Hwa - Rp. 10,080,000.- ( 0.05%)**

Address : Green View Apartment Tower B.205,  
Jl. Sekolah Kencana IV, Pondok Indah,  
South Jakarta

## **BUSINESS ACTIVITIES**

**Lines of Business :**

Electronic Component Manufacturing

**Product Items :**

- Multilayer Ceramic Capacitor
- Disc Ceramic Capacitor
- Disc Ceramic Varistor
- EMI Filter
- Bead & Inductor
- Shunt Power Capacitor

**Total Investment :**

a. Equity Capital	- Rp. 21,120 million
b. <u>Loan Capital</u>	- Rp. 40,500 million
c. Total Investment	- Rp. 61,620 million

**Started Operation :**

June 1998

**Brand Name :**

SAMCON

**Technical Assistance :**

SAMWHO CAPACITOR Co. Ltd., of South Korea

**Number of Employee :**

410 persons

**Marketing Area :**

- Local - 20%
- Export - 80%

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**Main Customers:**

Pharmaceutical Industries

**Market Situation :**

Very Competitive

**Main Competitors :**

- a. PT. Delta Jaya Engineering
- b. PT. Bina Teknik Ciptamandiri
- c. PT. Dua Putera Indo Sejahtera
- d. PT. Sindutama Industri Teknik
- e. Etc.

**Business Trend :**

Growing

## ***BANKER, AUDITOR & LITIGATION***

**Bankers :**

- a. P.T. Bank KEB Hana Indonesia  
Mangkuluhur City – Tower One,  
Jl. Jend. Gatot Subroto Kav. 1-3  
South Jakarta  
Indonesia
- b. P.T. Bank MANDIRI Tbk  
Subang Branch  
Jl. Jend.Ahmad Yani No. 5,  
Subang, West Java  
Indonesia

**Auditor :**

Internal Auditor

**Litigation :**

No litigation record in our database

## ***FINANCIAL FIGURE***

**Annual Sales (estimated) :**

2014 – Rp. 86.0 billion  
2015 – Rp. 99.0 billion  
2016 – Rp. 113.0 billion  
2017 – Rp. 128.0 billion

**Net Profit (estimated) :**

2014 – Rp. 6.2 billion  
2015 – Rp. 7.4 billion  
2016 – Rp. 8.5 billion  
2017 – Rp. 9.6 billion

**Payment Manner :**

No Complaints

**Financial Comments :**

Fairly

## **KEY EXECUTIVES**

**Board of Management :**

President Director - Mr. Lee Kun Hwa  
Directors - a. Mr. Hwang Ho Jin  
b. Mr. Young Tae Son

**Board of Commissioners :**

Commissioner - Mr. Kwon Gijeong

**Signatories :**

President Director (Mr. Lee Kun Hwa) or Directors (Mr. Hwang Ho Jin or Mr. Young Tae Son) which must be approved by Board of Commissioner (Mr. Kwon Gijeong)

## **CAPABILITIES**

**Management Capability :**

Good

**Business Morality :**

Good

## **OVERALL PERFORMANCE**

SAMCON was incorporated in Jakarta based on Notary Deed of Buntario Tigris, SH., No. 126 dated March 12, 1997 with the authorized capital of Rp. 12,000,000,000.- of wich Rp. 3,000,000,000.- was issued and paid up. The founding shareholders of the company are SAMHWA CAPACITOR Co. Ltd., of Kora (87%) and P.T. SANWHA INDONESIA (13%). The Deed of establishment was approved by the Minister of Law and Human Rights through its Decision Letter No. C2-1984.HT.01.01.TH.1998 dated March 20, 1998.

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Its articles of association have subsequently been changed for several times, most recently by Notary Deed of Buntario Tigris, SH., No. 70 dated May 21, 2018, the authorized capital was raised to Rp. 22,007,280,000.- of which Rp. 21,120,000,000.- was issued and paid up. Since then, the shareholders of the company are SAMHWA CAPACITOR Co. Ltd., (99.95%) and Mr. Lee Kun Hwa (0.05%). 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.01.03-0211988 dated June 04, 2018. Since then, no changes have been effected in term of its shareholding composition and capital structure to date.

In accordance with article 3 (three) of the articles of association contained in the deed of establishment, the scope of activities of the Company is primarily in trading, industry and services. The company registered office located at Jl. Raya Subang, desa Cikumpay, Kecamatan Campaka, Kabupaten Purwakarta, West Java and the company can open branch offices or representative offices at home and abroad.

P.T. SAMCON obtained a foreign investment company (PMA) facility issued by Investment Coordinating Board (BKPM) in 1997 for dealing with electronic component manufacturing with its plant located at Jl. Raya Subang, Kp. Kiara Duta, RT.002/RW.003, Cikumpay Sub-district, Cempaka District, Purwakarta 41181, West Java, where it stands on a 1.2 hectares landsite. The plant has been in operation since June 1998 and the electrical components it produces consist of Multilayer Ceramic Capacitor, Disc Ceramic Capacitor, Disc Ceramic Varistor, EMI Filter, Bead & Inductor and Shunt Power Capacitor. P.T. SAMCOHN gets technological assistance from SAMHWA CAPACITOR CO. LTD., of Korea. P.T. SAMCON appoints P.T. SAMHWA INDONESIA as sole distributor in Indonesia. Some 80% of its products are sold to local market and the rest 20% are exported to Singapore, Malaysia, Philippine and Asian countries. We observed that P.T. SAMCON 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.

Generally, the demand for electronic components and parts in the country had significantly rising by 8% to 10% per year in the last five years, in line with the growth of electronic manufacturing, computer and peripherlas, audio-video, gadget, etc. 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. The value of the Rupiah from Rp. 11,800.- per US dollar at the end of 2014, has now slumped to Rp. 15.180 per US Dollar.

**Table of Indonesian Economic Indicators from 2013 to 2017**

<b>Indonesian Economic Indicators</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Gross Domestic Product (PDB)	5.6	5.0	4.8	5.0	5.1
Consumer Price Index (inflation)	8.4	8.4	3.4	3.0	3.6
Government Debt	28.7	24.7	27.0	27.9	28.5
Exchange Rate (IDR/USD)	11,563	11,800	13,400	13,309	13,381
Current Account Balance	-3.3	-3.1	-2.1	-1.8	-1.7
Population (in millions)	251	254	258	261	264
Poverty (percentage of population)	11.5	11.0	11.2	10.7	10.1
Unemployment (percentage of	6.3	5.9	6.2	5.6	5.5

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workforce)						
Reserves (in billion USD)	99.4	111.9	105.9	116.4	130.2	

Until this time P.T. SAMCON 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. P.T. SAMCON'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. 99.0 billion increased to Rp. 113.0 billion in 2016 and rose again to Rp. 128.0 billion in 2017. The operation in 2017 yielded a net profit at least Rp. 9.6 billion and the company has a total net worth of Rp. 65.0 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. SAMCON 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. SAMCON is led by Mr. Lee Kun Hwa (50), a Korean businessman with more than 20 years-experience in trading and manufacturing of electronic components. In daily activities he is assisted by Mr. Hwang Ho Jin (69) and Mr. Young Tae Son (64), both as directors respectively. In addition, they are also assisted by a number of expert staffs in the above business. The Company's management has wide relations with private businessmen within and outside the country. So far, we did not hear that the management of the company being filed to the district court for detrimental cases or involved in any business malpractices. The company's litigation record is clean and it has not registered with the black list of Bank of Indonesia.

P.T. SAMCON 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 74.39
UK Pound	1	INR 98.30
Euro	1	INR 85.90
IDR	1	INR 0.0049

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	NIY
<b>Report Prepared by :</b>	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)