

MIRA INFORM REPORT

Report No. :	537533
Report Date :	30.10.2018

IDENTIFICATION DETAILS

Name :	PT. FACADES ASIA GROUP
Registered Office :	Gedung Graha Surveyot Indonesia Lantai 15, Suite 1503, Jl. Jendral Gatot Subroto Kav. 56 Kelurahan Kuningan Timur, Kecamatan Setia Budi Kota Jakarta Selatan 12950 DKI Jakarta
Country :	Indonesia
Date of Incorporation :	16.09.2016
Legal Form :	Private Limited Liability Company or Perseroan Terbatas (PT)
Line of Business :	<ul style="list-style-type: none"> • Wholesale trade, except of motor vehicles and motorcycles • Other specialised wholesale • Wholesale of wood, construction materials and sanitary equipment
No. of Employees :	15

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :

B

Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Status :	Relatively new business
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 (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

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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. Facades Asia Group
Address	Ruko De Mansion Blok EF No. 5 Jl. Jalur Sutera Alam Sutera Kelurahan Kunciran, Kecamatan Pinang (Penang) Kota Tangerang 15143 Banten - Indonesia
Telephone	+622129779550
Fax	N.A.
Mobile Phone	N.A.
Email	admin.jkt@kkholding.org
Web	kkholding.org

PROFILE

Address	Ruko De Mansion Blok EF No. 5 Jl. Jalur Sutera Alam Sutera Kelurahan Kunciran, Kecamatan Pinang (Penang) Kota Tangerang 15143 Banten - Indonesia
Office Building	a. Area - Commercial b. Status - Leased
Date Of Establishment	- 16 September 2016
Start Operation	2017
Legal Status	Private Limited Liability Company or Perseroan Terbatas (PT)
Legalization (historical)	No. AHU-0042148.AH.01.01.Tahun 2016 Dated, 23 September 2016
Government Permit (s)	N.A.
Significant change	PT. Facades Asia Group (the Company) was established on September 16, 2016 in South Jakarta - DKI Jakarta with the authorized capital of IDR 3,990 million, with fully issued and paid up capital. The structure of shareholder were Mr. Kapildev Shukla (70.000%), Ms. Sangeeta Kapil Shukla (20.000%) and Mr. Suryanarayan Gopinath Shukla (10.000%). As far as we know, there has been no more change in the Company's notarial act as published by the Ministry of Justice.
Capitalization	
- Authorized Capital	IDR 3,990,000,000
- Issued Capital	IDR 3,990,000,000
- Paid Up Capital	IDR 3,990,000,000

SHAREHOLDERS & MANAGEMENT

Shareholders	Total No. of Shareholders: 3 Shareholders as 23 September 2016 Total Shareholding private - 300,000 shares
Name of Shareholders	<ul style="list-style-type: none"> - Mr. Kapildev Shukla (210,000 shares) - 70% - Ms. Sangeeta Kapil Shukla (60,000 shares) - 20% - Mr. Suryanarayan Gopinath Shukla (30,000 shares) - 10%
Management Board	
Name	Mr. Kapildev Shukla
Position	Director
Nationality	Indian
Supervisory Board	
Name	Ms. Sangeeta Kapil Shukla
Position	Commissioner
Nationality	Indian
Management Assessment	The management is deemed to have sufficient experience and industry expertise to manage subject properly.
Authorized Signatories	Mr. Kapildev Shukla as Director of the Company which must be approved by shareholder meeting.
Affiliate (s) / Associate (s)	<ul style="list-style-type: none"> - KK Holding (Unlimited Company) - KK Holding lanka (Private) Limited of Sri Lanka (Other specialised construction activities n.e.c.) - Kaskal Facade Pvt. Ltd. of India (Other specialised construction activities n.e.c.) - KK Facade Construction (USA) Llc of USA (Other specialised construction activities n.e.c.)

KEY DATA ON OPERATIONS

Registered Activities	SIC Code 46	: Wholesale trade, except of motor vehicles and motorcycles
Employee	Per 2018 15	
Bussiness Category	SIC Code 46.7	: Other specialised wholesale
Line of Business	SIC Code 46.73	: Wholesale of wood, construction materials and sanitary equipment

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Product & Capacity	N.A.	
Status of Investment	Foreign-invested Company	
Sales Territory	Local	100%
	International	00%
Main Items Imported And Country Origin	N.A.	
Main Items Exported And Country Destination	N.A.	
Major Customers	<ul style="list-style-type: none"> - PT. Pembangunan Perumahan (PP) (Persero) Tbk - PT. Wijaya Karya (Persero) Tbk 	
Major Suppliers	<ul style="list-style-type: none"> - PT. Anugerah Bangun Kencana - PT. Roxy Prima Indoproducts - PT. Alucobond Far East Indonesia 	
Terms of Payment	Purchase Payment Domestic : Telegraphic Transfer (T.T) based on Agreement Overseas : N.A. Sale Term Domestic : Telegraphic Transfer (T.T) based on Agreement Overseas : N.A.	
Activity Comment	<p>PT. Facades Asia Group (the Company) is foreign-invested company that is engaged in the wholesale of construction material and has been operating since 2017. The head office of the Company is located at Ruko De Mansion Blok EF No. 5 Jl. Jalur Sutera Alam Sutera, Kelurahan Kunciran, Kecamatan pinang (Penang), Kota Tangerang, Banten, Indonesia. We believe that the location is leased from another party. Meanwhile, the registered address of the Company is located at Gedung Graha Surveyot Indonesia Lantai 15, Suite 1503, Jl. Jendral Gatot Subroto Kav. 56, Kelurahan Kuningan Timur, Kecamatan Setia Budi, Kota Jakarta Selatan, DKI Jakarta.</p> <p>Based on our investigation, the Company is engaged in the wholesale of construction material especially aluminium and glass for window construction in high rise building.</p> <p>In its operation, the Company obtained some imported products from China, and even then according to client request. However, the Company obtains more products from local suppliers such as glass from PT. Roxy Prima Indoproducts and for aluminium from PT. Anugerah Bangun Kencana and PT. Alucobond Far East Indonesia.</p> <p>Then, the Company distributes products and participates in high rise building development project from main contractor such as from PT. Wijaya Karya (Persero) Tbk and PT. Pembangunan Perumahan (PP) (Persero) Tbk. The Company also serves installation requests, but the Company works with other sub contractors.</p> <p>Currently, the Company is working on a project at Alfa Tower Alam Sutera - Tangerang which is a 30-storey office building project. This</p>	

project is owned by PT. Perkasa Internusa Mandiri (Alfa Land). This project has been running since early 2017 and is now in the finishing stage. In addition, the Company is also working on a project in Sequis Tower in Jakarta, and has reached the finishing stage.

According to the source, the Company's operational performance throughout 2017 looks pretty good even though the Company has just recently in operation, but the Company has worked on quite a few projects. Until the 3rd quarter 2018, the Company continues to expand its marketing to other projects, such as office building, hotel and apartment projects.

Litigation

At the time this report is written, this Company has not been involved in any criminal or civil cases. This statement is based on a result of search for cases conducted at the State Court in the area where the Company was established and operates today.

Registered Address

Gedung Graha Surveyot Indonesia Lantai 15, Suite 1503, Jl. Jendral Gatot Subroto Kav. 56
Kelurahan Kuningan Timur, Kecamatan Setia Budi
Kota Jakarta Selatan 12950
DKI Jakarta - Indonesia
Phone : N.A.
Fax : N.A.
Email : N.A.-

BANKING INFORMATION

Banker (s)

- PT. Bank Central Asia Tbk
- PT. Bank OCBC NISP Tbk

Insurance

- Badan Penyelenggara Jaminan Sosial (BPJS)

BUSINESS PROSPECTS

Business Prospects

Entering the year 2018, the growth of the property sector is predicted not much changed compared to last year. From a data by Colliers in the fourth quarter of 2017 states that, of the total area of 1.7 million square meters (m2) owned by strata title office buildings, including those still under construction, has been sold up to 86%.

Colliers predicts, in 2018, this condition will not change much because there will be 10 new buildings that will enter the CBD (Central Business District) area. Colliers predicts there will be a decrease in occupancy rate by 3.4% to 4% by 2018.

On the other hand, office buildings located outside the CBD area will actually experience an increasing trend of occupancy because of the

number of buildings that enter not too much.

In 2018, there will be 12 new buildings that will enliven the area outside the CBD with a total area of 270,000 m². Most of the building is an office building project that was delayed in 2017.

The property sector's performance in late 2017 remains in a downward trend, despite indicators that showing a recovery. Throughout the first nine months of 2017, housing prices and sales only grew below 5%.

The growth in prices and sales of housing until the third quarter 2017 was still low. Based on Bank Indonesia (BI) survey, residential property price index grew 3.3% year on year (yoy) slightly higher than the same period last year, which only grew 2.8% (yoy), but still lower than in 2014 and 2015 which was able to record growth above 5% (yoy).

The growth of mortgage loans and apartment ownership loans are currently increasing and higher than credit growth. However, the price growth and housing sales are still low. The impact of the government property sector policy is expected to be more visible in 2018.

Based on the above considerations, we believe that property sector is still prospective in the future.

FINANCIAL STATEMENT

Sales Turn Over	- 2017 - IDR 5,000,000,000 (Estimated)
Total Assets	As the Company is not a publicly listed company, we are unable to give a detailed picture of the financial condition of the Company.
Other Financial Data	As the Company is not a publicly listed company, we are unable to provide details on the financial condition of the Company.

CREDITWORTHINESS

Management Capability	Adequate
Business Morality	Adequate
Payment Manner	Slow but Correct
Financial Condition	Satisfactory
Operating Trend	Undetermined
Conclusive remarks	Based on the information shown above, we learned that the Company is engaged in the wholesale of construction material especially aluminium and glass for window construction in high rise building. The Company distributes products and participates in high rise building development project from main contractors such as from PT. Wijaya Karya (Persero) Tbk and PT. Pembangunan Perumahan (PP) (Persero) Tbk. As we know, the Company's operational performance up to now looks pretty good, with the Company already handling several major projects in

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Jakarta and Tangerang. Meanwhile, with the growth of property industry both office building projects, hotels, and apartments that are increasing, especially in the areas of big cities like Jakarta, we believe that the Company is still prospective in the future.

In terms of financial, the Company has not got any significant problems so the cash flow is still pretty good. Based on the above considerations, by looking at the Company that is classified as new in the operation, we classify the credit rating of the Company at Medium to High Risk.

However, for security reason, we advise those wishing to cooperate with or grant loans to this company to keep asking for adequate collateral from its shareholders.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.42
UK Pound	1	INR 94.26
Euro	1	INR 83.69
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

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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)