

MIRA INFORM REPORT

Report No. :	529309
Report Date :	14.09.2018

IDENTIFICATION DETAILS

Name :	CV. LAMHONG
Registered Office :	Jl. Rangkah 5 No. 22, Kelurahan Rangkah, Kecamatan Tambaksari, Kota Surabaya 60135, Jawa Timur
Country :	Indonesia
Date of Incorporation :	2010
Legal Form :	Commanditaire Vennootschap or CV
Line of Business :	<ul style="list-style-type: none"> Wholesale trade, except of motor vehicles and motorcycles Wholesale of food, beverages and tobacco Non-specialised wholesale of food, beverages and tobacco
No. of Employees :	15 [2017]

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 : infodept@mirainform.com while quoting report number, name and date.

ECGC Country Risk Classification List

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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.

Indonesia still struggles with poverty and unemployment, inadequate infrastructure, corruption, a complex regulatory environment, and unequal resource distribution among its regions. 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	CV. Lamhong
Address	Jl. Rangkah 5 No. 22 Kelurahan Rangkah, Kecamatan Tambaksari Kota Surabaya 60135 Jawa Timur - Indonesia
Telephone	+62313714883
Fax	+62313714883
Mobile Phone	+6281703733738 (Ms. Stevani Budiman as Owner)
Email	stevani.budiman@hotmail.com
Web	N.A.

PROFILE

Address	Jl. Rangkah 5 No. 22 Kelurahan Rangkah, Kecamatan Tambaksari Kota Surabaya 60135 Jawa Timur - Indonesia
Office Building	a. Area - Commercial b. Status - Leased
Date Of Establishment	- 2010
Start Operation	2010
Legal Status	Commanditaire Vennootschap or CV
Legalization (historical)	N.A.
Government Permit (s)	N.A.
Significant change	CV. Lamhong (the Company) is a Commanditaire Venootschap or CV company, which was founded in 2010 in Surabaya - East Java. Based on our investigation, the Company was founded by Ms. Stevani Budiman and Passive Partner of CV. Lamhong. Because it is Commanditaire Vennootschap (CV) Company, so we cannot show you details about the date of establishment, capitalization and ownership structure of the Company.
Capitalization	
- Authorized Capital	N.A.
- Issued Capital	N.A.
- Paid Up Capital	N.A.

SHAREHOLDERS & MANAGEMENT

Shareholders Total No. of Shareholders: 2

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Name of Shareholders	Shareholders as N.A. Total Shareholding private - N.A. shares - Ms. Stevani Budiman (0 shares) - 0% - Passive Partner of CV. Lamhong (0 shares) - 0%
Management Board	
Name	Ms. Stevani Budiman
Position	Director
Nationality	Indonesian
Supervisory Board	
Name	Passive Partner of CV. Lamhong
Position	Passive Partner
Nationality	Indonesian
Management Assessment	The management is modest but we believe the management able to manage subject properly.
Authorized Signatories	Ms. Stevani Budiman as Director and Active partner which must be approved by partners meeting.
Affiliate (s) / Associate (s)	N.A.

KEY DATA ON OPERATIONS

Registered Activities	SIC Code 46 : Wholesale trade, except of motor vehicles and motorcycles
Employee	<i>Per 2017</i> Approximately - 15 <i>Per 2018</i> Approximately - 15
Bussiness Category	SIC Code 46.3 : Wholesale of food, beverages and tobacco
Line of Business	SIC Code 46.39 : Non-specialised wholesale of food, beverages and tobacco
Product & Capacity	N.A.
Status of Investment	Non-facilities based Company
Sales Territory	Local 40% International 60%
Main Items Imported And Country Origin	- Corns - USA - Soybean - India - Seasonings, Spices, Flavours, Dehydrated Product - Africa - Seasonings, Spices, Flavours, Dehydrated Product - China

Main Items Exported And Country Destination	- Cashew Nuts - Vietnam - Cashew Nuts - India - Cashew Nuts - USA - Cashew Nuts - Canada
Major Customers	- Buyer from Vietnam - Buyer from India - Local Distributor
Major Suppliers	- Local Farmer in Nusa Tenggara and surrounding areas - Overseas Supplier(s)
Terms of Payment	Purchase Payment Domestic : Telegraphic Transfer (T.T) based on Agreement Overseas : Letter of Credit (L/C) or Telegraphic Transfer (T.T)

Sale Term

- Domestic : Telegraphic Transfer (T.T) based on Agreement
- Overseas : Letter of Credit (L/C) or Telegraphic Transfer (T.T) based on contract agreement

Activity Comment

CV. Lamhong (the Company) is a non-facility based company that is engaged in trading since 2010. Head office and warehouse of the Company are located at Jl. Rangkah 5 No. 22, Kelurahan Rangkah, Kecamatan Tambaksari, Kota Surabaya 60135, Jawa Timur - Indonesia. We believe that the location is leased from other parties.

Based on our investigation, the Company runs trading activities on exports of cashew nuts, which are obtained from local farmers in Nusa Tenggara and surrounding areas. In addition, the Company is also engaging in imports of spices and crops, such as coriander, soybeans, popcorn and other spices, which are acquired from principals in China, India, USA, and Africa. Unfortunately, our source was reluctant to mention names of the suppliers.

In term of products marketing, 60% of the Company's products are absorbed by the export market, and the remaining 40% are absorbed by the local market.

Based on our investigation, throughout 2015 the Company posted total revenue turnover of IDR 20,000,000,000. In 2016, however, the Company's operating performance declined significantly, due to the government regulation related to quarantine of the imported spices, which prevented the delivery of the commodities to the Company's customers. As result, the Company's turnover decreased.

Meanwhile in 2017, the Company's operational performance was gradually improving. Until now, the Company focuses more on the export of cashew nuts to the export market. Since the early year 2018, the Company's operational performance is quite stable. So far, up to this third quarter of 2018, the Company is still operating

in normal.

In present time, the increasing rate of US dollar has not significantly affected the Company's operation. Quantity of import by the Company is still similar with before. Although the price of products is increasing, but the Company is optimistic that there will be no significant impact on the demand for the Company's products. It is because the demand from customers is still quite high. In term of operational aspect, in addition, the Company is also helped with its export activity, which is still higher than the import activity.

In term of financial aspect, cash flow of the Company is still quite normal. Financially, the Company is still able to cover the increasing price of their imported products.

Currently, the Company is supported by 15 employees, or similar as in year 2017.

Litigation

At the time of writing this report, this Company has not been involved in any criminal or civil cases. This statement is a result of searches conducted at the State Court, where the Company was established and operational today.

Warehouse Address

Jl. Rangkah 5 No. 22
Kelurahan Rangkah, Kecamatan Tambaksari
Kota Surabaya 60135
Jawa Timur - Indonesia
Phone : N.A.
Fax : N.A.
Email : N.A.-

BANKING INFORMATION

Banker (s)

- PT. Bank Pan Indonesia Tbk

Insurance

- Badan Penyelenggara Jaminan Sosial (BPJS)

BUSINESS PROSPECTS

Business Prospects

The prospect of importing Indonesian spices into the world market is quite positive. This can be seen from the growth of the world spice consumption, which reaches 10.2% each year.

Spices commodity is one of the largest export commodities for Indonesia. In 2016, spice commodities contributed IDR 429 trillion into the national gross domestic product (GDP). The Ministry of Agriculture budgeted IDR 11 trillion for the allocation of plantation seeds, with an addition of up to IDR 1.6 trillion in 2017.

By looking at the increasing consumption of spices in the world, and the support of the government for the national spice

production, we believe that the spices import-export business in Indonesian is still quite prospective.

FINANCIAL STATEMENT

Sales Turn Over	- 2015 - IDR 20,000,000,000 (Estimated) - 2016 - IDR 18,210,000,000 (Estimated) - 2017 - IDR 19,240,000,000 (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 give a detailed picture of the financial condition of the Company.

CREDITWORTHINESS

Management Capability	Adequate
Business Morality	Adequate
Payment Manner	No complaints
Financial Condition	Satisfactory
Operating Trend	Fluctuated
Conclusive remarks	The Company is engaged in import-export trading of crops since 2010. The Company imports the crops from countries like China, USA, Africa, and other suppliers. In another side, the Company also exports cashew nuts to Vietnam, USA, Canada, and India. As we learn, the Company's operational performance was fluctuating over the past three years. In 2016, however, the Company's operating performance declined significantly, due to the government regulation related to quarantine of imported spices. So far, nevertheless, the Company is still able to survive by focusing on the exporting of cashew nuts to the export market. In terms of financial aspect, the Company has not experienced significant payment problems from customers or to suppliers. Based on variety of considerations shown above, we classify the Company's current credit rating to "medium 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 72.32
UK Pound	1	INR 94.42
Euro	1	INR 84.08
IDR	1	INR 0.0048

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

INFORMATION DETAILS

Analysis Done by :	PRA
Report Prepared by :	SYL

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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)