

MIRA INFORM REPORT

Report No. :	529383
Report Date :	15.09.2018

IDENTIFICATION DETAILS

Name :	CV. KUDA MAS
Registered Office :	Ruko Panji Makmur Blok B.31, Jl. Panjang Jiwo 46-48 Kelurahan Panjang Jiwo, Kecamatan Tenggilis Mejoyo Kota Surabaya 60299 Jawa Timur
Country :	Indonesia
Financials (as on) :	2017 (Summarized)
Date of Incorporation :	16.02.2005
Legal Form :	Commanding Company
Line of Business :	Wholesale trade, except of motor vehicles and motorcycles.
No. of Employees :	15

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 :	Satisfactory
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

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

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. Kuda Mas
Address	Ruko Panji Makmur Blok B.31, Jl. Panjang Jiwo 46-48 Kelurahan Panjang Jiwo, Kecamatan Tenggilis Mejoyo Kota Surabaya 60299 Jawa Timur - Indonesia
Telephone	+62318483188
Fax	+62318483188
Mobile Phone	N.A.
Email	cv_kuda_mas@yahoo.co.id
Web	N.A.

PROFILE

Address	Ruko Panji Makmur Blok B.31, Jl. Panjang Jiwo 46-48 Kelurahan Panjang Jiwo, Kecamatan Tenggilis Mejoyo Kota Surabaya 60299 Jawa Timur - Indonesia
Office Building	a. Area - Commercial b. Status - Leased - 16 February 2005
Date Of Establishment	2005
Start Operation	Commanding Company or CV
Legal Status	N.A.
Legalization (historical)	N.A.
Government Permit (s)	N.A.
Significant change	CV. Kuda Mas (the Company) was founded in Surabaya, East Java on February 16, 2005, with the legal status of Commanditaire Vennootschap (CV). Based on our investigation, the name of the active partner in the Company is Mr. Reginald Stuart. Unfortunately, currently, we are unable to identify the name of the Company's passive partner. Since it is Commanditaire Vennootschap (CV) Company, 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 Shareholders as N.A.
Name of Shareholders	Total Shareholding private - N.A. shares <ul style="list-style-type: none"> - Mr. Reginald Stuart (0 shares) - 0% - Passive Partner of CV. Kuda Mas (0 shares) - 0%
Management Board	
Name	Mr. Reginald Stuart
Position	Director
Nationality	Indonesian
Supervisory Board	
Name	Passive Partner of CV. Kuda Mas
Position	Passive Partner
Nationality	Indonesian
Management Assessment	The management is modest, but we believe the management can manage subject properly.
Authorized Signatories	Mr. Reginald Stuart as Director of the Company which must be approved by shareholder 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	Per 2018	15
Bussiness Category	SIC Code 46.3	: Wholesale of food, beverages and tobacco
Line of Business	SIC Code 46.31	: Wholesale of fruit and vegetables
	SIC Code 46.37	: Wholesale of coffee, tea, cocoa and spices
Product & Capacity	N.A.	
Status of Investment	Non-facilities based Company	
Sales Territory	Local	100%
	International	00%
Main Items Imported And Country Origin	<ul style="list-style-type: none"> - Fruits - China - Fruits - Peru 	

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Main Items Exported And Country Destination	- Nuts - India N.A.
Major Customers	- Local Distributor
Major Suppliers	- El Pedregal S.A. of Peru - Sidhartha Corporation Pvt. Ltd. of India
Terms of Payment	Purchase Payment Domestic : Telegraphic Transfer (T.T) or based contract agreement Overseas : Delivery against payment , Telegraphic Transfer (T.T) with 30-60 days payment
Sale Term	Domestic : Delivery against payment , Telegraphic Transfer (T.T) with 30-60 days payment Overseas : N.A.
Activity Comment	CV. Kuda Mas (the Company) is a non-facilities based Company, which is engaged in the trading of fresh fruits. The Company began operation in early 2005. The Company's head office is located at the address: Ruko Panji Makmur Blok B.31, Jl. Panjang Jiwo 46-48, Kelurahan Panjang Jiwo, Kelurahan Tenggilis Mejoyo, Kota Surabaya 60299, Jawa Timur - Indonesia. We believe this location is leased by the Company. Meanwhile, the Company's warehouse is located at the address Jl. Mergo Mulyo Indah Blok A, Kota Surabaya, Jawa Timur, Indonesia. Based on our investigation, the Company is engaged as an importer of fresh fruits include oranges, apples, pear, grapes, longan, and crops like peanuts and green beans. In its operational activities, the Company imports most of the fruit from China and Peru, one of which is from El Pedregal S.A. of Peru. For the pears, the Company routinely imports it once a month, but for other fruits, the Company must submit a quota first and the import volume is limited from the government, especially import from China. Whereas, the legumes are imported from India one of them is from Sidhartha Corporation Pvt. Ltd. of India. Then, the Company distributes the products to local customers, some of whom are local distributors in the East Java, Central Java and the surroundings. According to the source, the Company's operational performance throughout 2016 had experienced an increase. However, in 2017 the Company's fruit sales declined and sales of nuts also looked stagnant. This is due to quota restrictions on the import of fruits from China due to some government regulations. In addition, public consumption is also slowing and the business competition is intense. Until the third quarter of 2018, the Company is still operating

Litigation	although the sales trend has not improved. In terms of payments, the Company is experiencing delay issues from some customers, so that is quite disturbing the Company's operational. At the time this report is written, this Company has not been involved in any criminal or civil cases. This statement is based on the search result for cases conducted at the State Court in the area where the Company was established and operates today.
Sources	Ms. Vivin (Tax Section Staff of the Company, contacted on September 12, 2018)
Warehouse Address	Jl. Mergo Mulya Indah Blok A Kota Surabaya 60184 Jawa Timur - Indonesia Phone : N.A. Fax : N.A. Email : <u>N.A.</u>

BANKING INFORMATION

Banker (s)	- PT. Bank Central Asia Tbk - PT. Bank CIMB Niaga Tbk
Insurance	- Badan Penyelenggara Jaminan Sosial (BPJS)

BUSINESS PROSPECTS

Business Prospects	<p>Although it is predicated as an agricultural country, Indonesia still needs to import vegetables and fruits from abroad. Central Bureau of Statistics (<i>Badan Pusat Statistik</i>) noted that imports of various vegetables and fruits in Indonesia are still high. Throughout January-February 2017, the imports of vegetables by Indonesia totaled up to 148,216 tons valued at USD 148.58 million. Meanwhile, the imports of fruits in the period January-February 2017 amounted to 161,402 tons valued at USD 233.44 million. Similarly like vegetables, the largest imported fruits are also coming from China with total volume of 96,737 tons (USD 137.36 million). Meanwhile, the rest is coming from Thailand, Pakistan, the United States, Egypt, and others.</p> <p>Based on data from Central Bureau of Statistics (<i>Badan Pusat Statistik</i>), the highest import of fruits occurred in August 2017. Compared to the import in July 2017, import of fruits in August 2017 increased by 277.73% valued at USD 63.6 million. The increasing import is mainly caused by season factors. The fluctuating import of certain commodities reflects the fluctuating need and behavior of the market.</p> <p>Actually, Indonesia has lots and varying types of fruits.</p>
--------------------	--

Unfortunately, fruit consumption in the country is still very low. In fact, it is below the standard, namely only 34.55 kg per capita per year – far lower than the adequacy standard at 73 kg per capita per year, or health adequacy standard at 91.25 kg per capita per year.

On the other hand, the considerable number of the population of Indonesia, which is more than 200 million people, is definitely indicating the very potential market for horticultural commodities. Based on the data shown above, and regarding the high demand for imported fruits and agriculture product in the country, we believe that imported fruit business will still have a pretty bright prospect, especially with East Java economic growth this year that is estimated to reach 5.0%-5.4%.

FINANCIAL STATEMENT

Sales Turn Over	- 2014 - IDR 22,000,000,000 (Estimated) - 2015 - IDR 18,000,000,000 (Estimated) - 2016 - IDR 19,566,000,000 (Estimated) - 2017 - IDR 17,609,400,000 (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	Since the Company is not a publicly listed company, we cannot provide details on the financial condition of the Company.

CREDITWORTHINESS

Management Capability	Adequate
Business Morality	Adequate
Payment Manner	Slow but Correct
Financial Condition	Poor
Operating Trend	Fluctuated
Conclusive remarks	We come to the conclusion that the Company started operation in 2005 as an importer of fruits from China and Peru, and crops from India. The Company distributes products to local customers, some of whom are local distributors in the East Java, Central Java and the surroundings. As we know, the Company's operational performance throughout the last two years has fluctuated due to the quota restrictions on import fruits from China from the government so that the sale of fruit in the local area has decreased. In addition, there are also the declining public purchasing power and the tough business competition among the fruit importers.

Meanwhile, the government will restrict the regulation toward the imported vegetables in order to empower the local farmers to increase their products. Thus, if the Company can adapt to the situation, we believe that the Company stays prospective in the future.

Based on these two aspects, and see the Company was problematic in terms of payment so that the company's cash flow is quite disturbed, we classify the Company's current credit risk at Medium to High Risk.

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

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.81
UK Pound	1	INR 94.15
Euro	1	INR 83.97
IDR	1	INR 0.0049

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

INFORMATION DETAILS

Analysis Done by :	VIVR
Report Prepared by :	DNS

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

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)