

Name of Company/Subject	: P.T. XXXXXXXXX
Correct Name of Subject	: P.T. XXXXXXXXX
Trading Style	: XXXXXXXXX
Ref. No.	: None
Buyer Code	: None
Date of Order	: Email, 22 November 2007
Type of Report	: Standard Report
Type of Service	: Express Service
Date of Completion	: 27 November 2007
CISI Ref.	: xx/CISI/nm/XI/2007, 27.11.2007

P.T. SAMWOO INDONESIA

1. Address : **Head Office & Factory**
XXXXXXXXX
XXXXXX - XXXXX
Karawang 4XXXX
West Java
Phones - (02XX) XXXXXXX
Fax - (02XX) XXXXXXX
Email : xxxxx@xxxxxx.com
2. Date of Establishment : a. XX September 19XX as P.T. XXXXXX
b. XX August 19XX as P.T. XXXXXX
3. Legal Status : P.T. (Perseroan Terbatas) or Limited Liability Company
4. Legalization by the Ministry of Justice : No. CX-XXXXX
Dated XX November 19XX
5. Category : Foreign Investment (PMA) Company
6. Permit by the Government Department : **The President of the Republic of Indonesia**
No. X-XX/Pres/6/19XX
Dated XX June 19XX
- The Capital Investment Coordinating Board**
- No. XX/I/PMA/19XX
Dated XX June 19XX
 - No. XX/II/PMA/19XX
Dated XX November 19XX
 - No. XX/II/PMA/19XX
Dated XX November 19XX
 - No. XX/II/PMA/19XX
Dated XX July 19XX
 - No. XX/III/PMA/19XX
Dated XX June 19XX
7. Lines of Business : Leather Tanning Industry
8. Production Capacity : **Initial Plant**
Finished Leathers - 3,574,439 sq.m. p.a.
- Expansion Plant**
Finished Leathers - 4,500,000 sq.m. p.a.

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9. Business Trend : Growing
10. Market Situation : Very competitive
11. Capitalization : Authorized Capital - US\$ 10,000,000.-
Issued Capital - US\$ 3,000,000.-
Paid up Capital - US\$ 3,000,000.-
- Shareholders**
- a. XXXXX Co. Ltd.,
of South Korea - US\$ 2,800,000.-
- b. Mr. XXXXX
of South Korea - US\$ 200,000.-
12. Total Investment : a. Equity Capital - US\$ 2.0 million
b. Loan Capital - US\$ 6.8 million
c. Total Investment - US\$ 8.8 million
13. Bankers : a. P.T. KOREA EXCHANGE BANK DANAMON
Jalan Jend. Sudirman Kav. 7-8
Jakarta 10220
b. P.T. Bank DANAMON INDONESIA
Jalan Asemka No. 31
Jakarta Barat
c. P.T. Bank HANVIT INDONESIA
Jalan Jend. Sudirman Kav. 52-53
Jakarta 12190
14. Started Operation : 19XX
15. Total Employees : 600 persons
16. Supervisory Board : Member - Mr. XXXXXX
17. Board of Management : President Director - Mr. XXXXXX
Director - Mr. XXXXXX
18. Financial Conditions : Satisfactory
19. Sales Turnover : 2003 - Rp 351.0 billion
(Estimated) 2004 - Rp 355.0 billion
2005 - Rp 365.0 billion
2006 - Rp 370.0 billion

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20. Payment Habit : Almost promptly
21. Management Capability : Satisfactory
22. Litigation Record : No detrimental filing was recorded at the court
23. Business Morality : Satisfactory
24. Creditworthiness : Good with special precaution
25. Maximum Limit of Credit : US\$ 4.0 million on 90 days
26. Precautions : N o r m a l
27. Signatories : President Director (Mr. XXXXX) or Director (Mr. XXXXX)
which must be approved by the members of Board (Mr. XXXXX)
28. Associated Companies : XXXXX Co. Ltd. (Leather Tanning Industry and Investment Holding)

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Remarks on :

P.T. XXXXXXXXX

Originally named P.T. XXXXXXXXX, the company was established in September 19XX in Jakarta with an authorized capital of US\$ 10,000,000.- of which US\$ 2,000,000.- was issued and paid up. The company was founded by XXXXXX Co. Ltd. of South Korea as foreign partner and Mr. XXXXX AKA (also known as) XXXXX of Indonesia as the original shareholders. The company's notarial act was since revised a couple of times. In August 19XX the issued and paid up capital was increased to US\$ 3,000,000.- and on this occasion a new shareholder, namely Mr. XXXXX of South Korea, joined the company. In June 19XX Mr. XXXXX AKA XXXXX of the XXXXX Group withdrew and all his shares were sold to XXXXX Co. Ltd. Lastly in 19XX the company's name was changed to P.T. XXXXXXXXX.

P.T XXXXXXXXX has been in operation since the end of 19XX under Foreign Investment (PMA) facilities in the hide tanning industry with its plant located on a 50,000 sq.m. land plot in XXXXX, XXXXX, Karawang (West Java). The plant has been expanded several times and now has a production capacity of 3,574,439 meters of finished leather per year. The construction of the plant has absorbed an investment of US\$ 8.8 million coming from own capital of US\$ 3.0 million and the rest from loans. The company's processed leathers consist of various types and sizes including SYMPHONY with the thickness of 1.2 millimeters to 2.0 millimeters, NUBUCK of 1.2 millimeters to 1.4 millimeters thick, BUFFALO SHOULDER of 1.6 millimeters to 1.8 millimeters thick. The company's customers largely come from bag and shoes industries within and outside the country. The processed leather of the company are used to produce several famous international brands such as XXX, XXX, XXX, XXX and others.

About 70% of its production is exported to Vietnam, Hong Kong and other Asian countries with the remaining 30% being marketed in the country, especially to also export oriented South Korean and Taiwanese shoe industries, furniture industries, and others. The raw material in the form of wet blue (cow hide) is imported through IBP Inc., USA, from South Korea and Australia and partly bought from local traders of good quality raw hides. The operation of P.T. SI has been fluctuating in the last five years.

The national leather production has been fluctuating in the last five years and tended to decline. Up to the first semester of 2007, the national leather production has just been able to fulfill some 65% of the national needs while the rest is still supplied by imported leather products. Up to the same period, the national leather export was just US\$ 1.7 billion. This condition was caused by the shortage of basic materials in the country. However, demand for national leather products has kept on increasing in line with the growing shoe industries, bag industries, garment industries and others. In line with this condition, the leather tanning industries in the country still opens wide opportunities but

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still face lack of basic materials. Many products and similar companies operating in the country have elicited tight competition. However, the business position of P.T. XXXXXXXXX is favorable.

P.T. XXXXXXXXX's management is very closed to outsiders about the company's finances. We estimate P.T. XXXXXXXXX's sales turnover reached Rp 351.0 billion in 2003 rose to Rp 355.0 billion in 2004 to Rp 365.0 billion in 2005 and to Rp 370.0 billion in 2006. The company is figured to have made a net profit of at least Rp 15.0 billion in 2006 with networth of at least Rp 100.0 billion.

So far, we did not hear that the company has been black listed by Bank Indonesia (Central Bank). Its punctual payment habit of 1 to 3 months is running smoothly.

P.T. XXXXXXXXX's management is headed by Mr. XXXXX (appr. XX), a professional manager of the foreign partner XXXXX Co. Ltd., South Korea. The company's management is handled by experienced professional managers, locals and expatriates, in the hide tanning industry. They are widely connected in domestic and overseas private business circles and maintain good relations with the government sector. We did not hear that the company has been filed to district court for controversial cases.

We believed that P.T. XXXXXXXXX is good for business transaction. However, in view of the unstable economic condition in the country we recommend to treat prudently in extending a loan to the company.

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