

P.T. ULUNA MOTORINDO INDUSTRI

(1)BACKGROUND/OFFICIAL DATA

Address	<p><u>Head Office</u> Jalan Agung Timur VI Blok J No. 5, Sunter Podomoro, Jakarta Utara 14350, Indonesia Tel. (021) 8502987 Fax. (021) 8511669</p> <p><u>Factory</u> Jalan Atom, Desa Karang Asem Timur, Kecamatan Citeureup, Bogor 16810, West Java Tel. (021) 97940999 Fax. (021) 97941222</p>
Established	15 January 2003
Organization Style	P.T. (Perseroan Terbatas) or Private Limited Liability Company
Legalization	No. C-68519.HT.01.04.TH.2007 Dated 23 November 2007
Government Permit(s)	<p>a. <u>Department of Industry & Trade</u> TDP. No.: 10,20,1,50,02927 Dated 18 January 2005</p> <p>b. <u>Department of Finance</u> NPWP : 02.238.653.6-042.000</p>
Capitalization	<p>Authorized Capital - Rp. 20,000,000,000 Issued Capital - Rp. 12,000,000,000 Paid-up Capital - Rp. 12,000,000,000</p> <p><u>Note:</u> Consist of 20,000 shares @ Rp. 1,000,000</p>
Shareholder(s)	<p>a. Mr. John Tan - 59.992% b. Mrs. Merry Dewi Himawan - 40.000% c. Mr. Jack Rianto Latif - 0.008%</p>
Supervisory Board	Member(s) - Mrs. Merry Dewi Himawan
Management Board	<p>President Director - Mr. John Tan Director(s): - a. Mr. Jack Rianto Latif - b. Mr. Yusuf Himawan</p>
Registered Activities	<p>a. Industrial Manufacturing b. General Trading</p>
Authorized Signatories	President Director or Director which must be approved by Member of Supervisory Board
Affiliate(s)/Associate(s)	<p>a. P.T. ULUNA JAYA ASIA (Mining) b. P.T. ULUNA INTERNATIONAL (Decorative Glasses Assembling) c. P.T. ULUNA SUKSES UTAMA (Property) d. Others</p>

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(2) OPERATIONAL

Started Operation	April 2003
Business Category	Manufacturer
Line of Business	Motorcycle Assembling
Product & Capacity (Annual)	Motorcycle - 36,000 units
Status of Investment	Non Facility
Sales Territory	Local - 100%
Number of Employee	176

(3) FINANCIAL INFORMATION

Sales Turnover (Audited)	2007 - Rp. 23,959 million 2008 - Rp. 108,964 million 2009 - Rp. 129,198 million
Total Asset (Audited)	Rp. 75,779 million (as of 31 December 2009)
Investment	Rp. 30 billion
Banker(s)	<p>a. P.T. BANK CENTRAL ASIA Jakarta Main Branch Jalan MH Thamrin No. 1 South Jakarta</p> <p>b. P.T. BANK NEGARA INDONESIA Jakarta Main Branch Jalan Jend. Sudirman Kav. 1 Central Jakarta</p> <p>c. CITIBANK N.A Jakarta Branch Jalan Jend. Sudirman Kav. 54 South Jakarta</p>

(4) CREDIT RECCOMENDATIONS

Credit Rating	4
Risk	Moderate Risk
Maximum Credit Guide	US\$ 529 thousand

(5) RATING EXPLANATIONS

The credit rating ranges from 1, indicating a high risk to 5, the lowest risk. A rating of 7 indicates an unclassified risk (risk unknown), used on brand new companies, investment holding or those who are reluctant to provide any financial information. A rating of 8 is used for companies who are in liquidation, or are no longer active.

(6) DESCRIPTION

1) Background

P.T. ULUNA MOTORINDO INDUSTRI was established in Jakarta, Indonesia on 15 January 2003 with an authorized capital of Rp. 12,000,000,000 of which Rp. 4,000,000,000 was issued and fully paid-up. The founding shareholders are Mr. John Tan (59.975%), Mrs. Merry Dewi Himawan (40%) and Mr. Jack Rianto Latif (0.025%). The notarial deed has been through revisions. Lastly, in November 2004, the authorized capital was raised to Rp. 20,000,000,000 of which Rp. 12,000,000,000 was

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issued and fully paid-up. It shares consist of 20,000 shares with par value of Rp. 1,000,000 per share. Meanwhile, the shareholder composition consists of Mr. John Tan (59.992%), Mrs. Merry Dewi Himawan (40%) and Mr. Jack Rianto Latif (0.008%). The notarial deed has been legalized by the Ministry of Justice with the deed No. C-68519.HT.01.04.TH.2004 dated 23 November 2007.

Subject is affiliated with several companies, among others are P.T. ULUNA JAYA ASIA in mining, P.T. ULUNA INTERNATIONAL in decorative glasses assembling P.T. ULUNA SUKSES UTAMA in property, and others. Especially for P.T. ULUNA JAYA ASIA, this company is now developing manganese mining as well as iron ore mining, each in Nusa Tenggara Timur and Kalimantan island respectively. The manganese and iron ore will be exported to China. Currently, this company has signed purchasing contract with China buyer for the above products.

2) Operation Outlook

Subject is registered to be active in industrial manufacturing and general trading. In fact, subject realizes the business in motorcycle assembling. It started operation in April 2003. In this business, subject formerly operated a factory located in Sunter Podomoro, North Jakarta. Since 2004, the plant has been relocated to Citereup, Bogor, West Java, which stands on an area of 55,143 m². The plant is equipped with modern facility for assembling. It has an installed production capacity of 36,000 units of motorcycle per year. Currently, subject's realized production reaches 300 units of motorcycle per month. Subject produces three types of 100-cc motorcycle under the brand of ULUNA, namely JASPER, TOPAZ and KRISOPAZ, as well as three-wheeled motorcycle branded TRISEDA of 150 cc. In 2003, the total realized production was 5,058 units (consisting of 4,946 units of two-wheeled and 112 units of three-wheeled). In 2004, it increased to 23,954 units (consisting of 19,763 units of two-wheeled and 4,191 units of three-wheeled). In 2005, it was 24,690 units (consisting of 19,235 units of two-wheeled and 5,455 units of three-wheeled). About 60% of the component including engines are imported from China, while the rest 40% is obtained locally. The products are targeted for lower middle class in East Java and surroundings. The products are marketed through dealers in several big cities in the country. Besides, subject also supplies the products to government institutions and private sectors. In marketing, subject cooperates with a number of financing companies, such as P.T. BANK BUKOPIN for collective selling through credit, P.T. ALDIRA DINAMIKA MULTI FINANCE, P.T. BNI MULTIFINANCE, and P.T. BUMIKUSUMA MULTI FINANCE.

Lately, regional governments of Bandung (West Java), Padang (West Sumatra), Surakarta (Central Java), etc., bought three-wheeled vehicle for garbage transport.

Besides, subject has been appointed as agent for the marketing of street sweeper branded PANDA of Luzhou Panda Machinery Manufacturing Co. Ltd. and ZOOMLION of ChangSha Zoomlion Heavy Industry Science and Technology Development Co. Ltd. – both of China. Subject is currently joining tender of Jakarta Municipal City for the supply of street sweeper valued about Rp. 120 billion.

We observed that the prospect of motorcycle business in Indonesia is bright. The market size of motorcycle in the country was 4,470,722 units in 2006, 4,685,078 units in 2007, 6.21 million units in 2008, declined to 5.85 million units in 2009, but is expected to increase to 6.4 million to 6.7 million units in 2010. So far, HONDA motorcycle has dominated the market where in 2009 it controlled 46.2% of domestic market shares, followed by YAMAHA (45.3%) and others (8.5%). In the meantime, source from Directorate Traffic of Indonesian Police disclosed that the growth of motorcycle population has been sharply rising from year to year. However, the financial crisis in USA initiated by the bankruptcy of LEHMAN BROTHERS in Sept. 2008 which affected many countries, including Indonesia, has made the condition not conducive. However, competition in the above business in the country is very tight.

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Basically, subject's operation has been stable in the last three years. Subject is capable to survive owing to its wide marketing network all over the country. The products are also known to have good quality. Besides, subject also aggressively promotes its products.

3)Financial Condition

Subject's sales turnover has increased in the last three years. It was audited Rp. 23,959 million in 2007, Rp. 108,964 million in 2008, and Rp. 129,198 million in 2009. Meanwhile, its total asset was Rp. 75,779 million as of 31 December 2009.

4)Management

The management is led by the president director, Mr. John Tan (born in Jakarta, Indonesia on 21 September 1954, the holder of Indonesia ID Card No. 16.5616.210654.0001). He has experience of about 30 years in engineering. In leading subject, he is assisted by the directors, Mr. Jack Rianto Latif and Mr. Yusuf Himawan, as well as a number of capable staffs. The management has ample experience in the business and maintains good business relationships with entrepreneurs related to the business, both locally and overseas. Basically, the management is evaluated highly capable of managing the business.

5)Litigation Record

Within the last two years, there has been no record on subject's involvement in any malpractice business as well as litigation case in our database.

6)Creditworthiness

Rating System rates subject 4, which is in moderate risk condition.

(7)BALANCE SHEET

Balance Sheet (Audited)			
31 December 2007, 2008 and 2009			
in Million Rupiah			
	2009	2008	2007
Assets			
Cash and Cash Equivalents	1,464	1,758	2,167
Trade Receivable	13,360	10,912	5,339
Others Receivable	11,894	162	106
Inventories	17,936	17,082	7,121
Prepaid Taxes	538	568	21
Advance	189	9	273
Prepaid Expenses	84	184	269
Others Assets	164	47	76
Fixed Assets	30,151	29,037	11,271
Total Assets	75,780	59,759	26,645
Liabilities			
Bank Loan	24,692	11,272	
Trade Payable	25,581	31,124	21,187
Taxes Payable	2,220	1,323	309
Leased Payable	287	65	283
Costumer Deposits	1,487	91	57
Accrued Expenses	426	33	29
Total Liabilities	54,692	43,908	21,865
Stockholders Equity			
Capital	12,000	12,000	4,000
Retained Earnings (Deficit)	9,088	3,851	780
Total Stockholders Equity	21,088	15,851	4,780
Total Liabilities & Equity	75,780	59,759	26,645

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(8)INCOME STATEMENT

Statement of Income (Audited)			
For the Period Ended on 31 December 2009, 2008 and 2007			
in Million Rupiah			
	2009	2008	2007
Net Sales	129,198	108,964	23,959
Cost of Goods Sold	105,335	94,460	18,265
Gross Profit	23,863	14,503	5,694
Operating Expenses	14,385	8,894	4,581
Operating Income	9,478	5,609	1,113
Other Income (Expenses)	(2,022)	(1,246)	(24)
Profit (Loss) before Income Tax	7,456	4,363	1,089
Income Tax	2,219	1,291	309
Net Profit (Loss)	5,236	3,071	780

Auditor : Drs. Thalib Daeng Mattemmu

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(9)COMMENTS AND RATING

Item		Max Score	Score
Financial Factor	Payment Capability	10	7
	Capital Turnover	10	7
	Profitability	8	5
	Payment Manner	5	4
Business Factor	Current Situation	10	5
	Prospects	10	6
Management Factor	Organization	5	4
	Management	7	6
	Staff	5	4
	Achievements & Recent Performance	10	7
General Factor	Age of Company/Experience	5	1
	Commercial Morality	5	4
	Supporting Equipment	5	4
	Country Risk	5	3
Additional Factor	Additive Score (+/-)	-10-10	2
Total		100	69

Rating	Score	Description
5	≥ 81	Low Risk
4	61-80	Moderate Risk
3	41-60	Medium Risk
2	21-40	Medium High Risk
1	≤ 20	High Risk
7		Unclassified Risk
8		Ceased Operation/Inactive, Dissolved, Insolvent

AS of Sept 2010

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