

## PT J Resources Asia Pasifik Tbk

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<b>CREDIT PROFILE</b>		<b>FINANCIAL HIGHLIGHTS</b>			
		<b>As of/for the year ended</b>			
		<b>Jun-2021</b>	<b>Dec-2020</b>	<b>Dec-2019</b>	<b>Dec-2018</b>
		(Unaudited)	(Audited)	(Audited)	(Audited)
<b>Corporate Rating</b>	<i>idBBB/C.W. Negative</i>	895.8	930.5	959.7	884.9
<b>Rated Issues</b>		373.9	425.6	446.0	374.4
<i>Shelf Reg. Bond I</i>	<i>idBBB</i>	363.5	344.0	322.3	338.4
<b>Rating Period</b>		149.1	247.7	244.9	222.6
<i>November 17, 2021 – February 17, 2022</i>		63.5	155.4	114.9	105.8
<b>Rating History</b>		(4.8)	(6.2)	0.3	15.3
<i>SEP 2021</i>	<i>idBBB/C.W. Negative</i>	42.6	62.7	46.9	47.5
<i>JUN 2021</i>	<i>idA/Stable</i>	*2.9	2.7	3.9	3.5
<i>MAR 2021</i>	<i>idA/Stable</i>	1.0	1.2	1.4	1.1
<i>MAR 2020</i>	<i>idA/Stable</i>	*19.4	24.8	15.1	15.1
<i>MAR 2019</i>	<i>idA/Stable</i>	4.0	4.1	2.9	3.0
<i>DEC 2016</i>	<i>idA/Stable</i>	14.542	14,105	13,901	14,481

*FFO = EBITDA – IFCCI + gross interest income – current tax expense*  
*EBITDA = (operating profit + depreciation exp. + amortization exp.)*  
*IFCCI = (gross interest expense + other financial charges + capitalized interest); FX loss not included*  
*MI = minority interest \*annualized*  
*The above ratios have been computed based on information from the company and published accounts. Where applicable, some items have been reclassified according to PEFINDO's definitions.*

### PT J Resources Asia Pasifik Tbk affirmed at "idBBB" with Creditwatch with Negative Implication

PEFINDO has affirmed its "idBBB" rating for PT J Resources Asia Pasifik Tbk (PSAB) and its Shelf Registered Bond I and maintain the outlook for the corporate rating at "CreditWatch with Negative Implication", following the result of bondholders meeting (RUPO) held on November 8-9, 2021, which has agreed to extend the maturity date of PSAB's Shelf Registered Bond I Phase VI Serie A Year 2020 to November 7, 2022 from previously December 7, 2021, Shelf Registered Bond I Phase VII Year 2021 to November 6, 2022 from previously February 6, 2022, and Shelf Registered Bond I Phase I Year 2019 to June 5, 2023 from previously July 5, 2022. In addition, RUPO has also agreed to do waiver regarding the cross default clause, give leniency to PSAB to improve the rating to a minimum A no later than December 31, 2022, and divest one of its subsidiaries, PT Gorontalo Sejahtera Mining (GSM). PSAB's rating and outlook affirmation reflects the ongoing presence of liquidity risk triggered by the demand from one of its creditors to fully repay all the outstanding loans. PSAB plans to repay the loans from the divestment of GSM, following the signing of Conditional Sale and Purchase Agreement with potential buyer. Should this corporate action fail to materialize, it will weaken PSAB's liquidity position and its financial flexibility in obtaining external funding support.

An obligor rated idBBB has an adequate capacity to meet its long-term financial commitments relative to those of other Indonesian obligors. However, adverse economic conditions or changing circumstances are more likely to weaken its capacity to meet its financial commitments.

The corporate rating reflects PSAB's sizeable mining reserves and resources, expectations of low cash cost, and the high demand for gold. The rating is constrained by the heightened refinancing and liquidity risk, its aggressive capital structure, exposure to the fluctuation of gold prices and unfavorable weather, and risks related to the development of new mines

The Company's inability to address its liquidity issues for the next several weeks may trigger multiple rating downgrades. The outlook may be revised to stable if PSAB is able to successfully resolve its maturing loans.

PSAB was established in 2002 under the name PT Pelita Sejahtera Abadi and commenced mining operations in 2012 after acquiring assets from Avocet Mining. Its operations cover the exploration, mining, and processing of gold. It has a geographically diverse portfolio of assets across Indonesia and Malaysia, specifically in Penjom, Malaysia; Seruyung, North Kalimantan; and Bakan, Lanut, Pani, Doup, Bolangitang, and Bulagidun in North Sulawesi. The Company owned three producing mines, one mine in construction stage, one mine in the development stage, and two mines in the exploration stage. As of June 30, 2021, its shareholders consisted of Jimmy Budiarto (92.50%), Sanjaya J (0.02%), and the public (7.48%).

**DISCLAIMER**

*The rating contained in this report or publication is the opinion of PT Pemeringkat Efek Indonesia (PEFINDO) given based on the rating result on the date the rating was made. The rating is a forward-looking opinion regarding the rated party's capability to meet its financial obligations fully and on time, based on assumptions made at the time of rating. The rating is not a recommendation for investors to make investment decisions (whether the decision is to buy, sell, or hold any debt securities based on or related to the rating or other investment decisions) and/or an opinion on the fairness value of debt securities and/or the value of the entity assigned a rating by PEFINDO. All the data and information needed in the rating process are obtained from the party requesting the rating, which are considered reliable in conveying the accuracy and correctness of the data and information, as well as from other sources deemed reliable. PEFINDO does not conduct audits, due diligence, or independent verifications of every information and data received and used as basis in the rating process. PEFINDO does not take any responsibility for the truth, completeness, timeliness, and accuracy of the information and data referred to. The accuracy and correctness of the information and data are fully the responsibility of the parties providing them. PEFINDO and every of its member of the Board of Directors, Commissioners, Shareholders and Employees are not responsible to any party for losses, costs and expenses suffered or that arise as a result of the use of the contents and/or information in this rating report or publication, either directly or indirectly. PEFINDO generally receives fees for its rating services from parties who request the ratings, and PEFINDO discloses its rating fees prior to the rating assignment. PEFINDO has a commitment in the form of policies and procedures to maintain objectivity, integrity, and independence in the rating process. PEFINDO also has a "Code of Conduct" to avoid conflicts of interest in the rating process. Ratings may change in the future due to events that were not anticipated at the time they were first assigned. PEFINDO has the right to withdraw ratings if the data and information received are determined to be inadequate and/or the rated company does not fulfill its obligations to PEFINDO. For ratings that received approval for publication from the rated party, PEFINDO has the right to publish the ratings and analysis in its reports or publication, and publish the results of the review of the published ratings, both periodically and specifically in case there are material facts or important events that could affect the previous ratings. Reproduction of the contents of this publication, in full or in part, requires written approval from PEFINDO. PEFINDO is not responsible for publications by other parties of contents related to the ratings given by PEFINDO.*