

Press Release
of
Capital Market Supervisory Agency
October 31, 2000

On Tuesday, October 31, 2000, Capital Market Supervisory Agency announce its investigation report on 4 (four) issuers and 4 (four) Securities Companies as follows:

1. PT Dharmala Intiland Tbk.

Regarding investigation on PT Dharmala Intiland Tbk case, there are two findings briefly described as follows:

- a. The company engaged in loan transaction to related parties which are PT Dharmala Inti Utama (as Company's majority shareholder), PT Kuripan Raya, PT Kemayoran Land, PT Deverindo, and PT Adhi Baladika.
- b. Prior to the loan transaction, which was evidently to carry conflict of interest, it had not been asked for approval from independent shareholders of General Meeting Shareholders as stipulated in Rule IX.E.1 regarding Conflict of Interest on Certain Transaction.

Base on such findings, Bapepam impose administrative fines and oblige the company to exercise these following matters:

- 1) Fines in amount of Rp 500,000,000.00 (five hundred millions rupiah)
- 2) On the next General Meeting of Shareholders, the company must list an announcement of all information that connected to the loan transaction of the company to the associated party that worth Rp 72,726,397,115.00 as one of its meeting agenda.
- 3) Board of Directors and Board of Commissioners of the company is subject to administrative fines of Rp 250,000,000.00 (two hundred and fifty millions Rupiah) and to be paid to State Treasury.
- 4) The company is ordered to pay for all the registration fee of shares owned by public shareholders which are not have conflict of interest with regard to scripless trading implementation.

2. PT Bhuwanatala Indah Permai Tbk.

Regarding investigation on PT Bhuwanatala Indah Permai Tbk. case, there are two findings briefly described as follows:

- a. Prospectus of Right Issue III of PT Bhuwanatala Indah Permai Tbk. April 1998 did not disclose fully detail information or material facts of reimbursement of take-over transaction of PT Darmo Satelit Town's (DST) share.
- b. This information is categorized as a material information which should be disclose to investors with respect to their investment decision, therefore it should be laid bare in Prospectus of company Right Issue III which in line with article 78 item 1 of Capital Market Law No 8 of 1995.

Base on such matters, Bapepam impose administrative sanction and oblige the company and the company's management to exercise these following obligations:

- 1) Board of Directors and Board of Commissioners must pay Rp 500,000,000.00 (five hundred millions rupiah) to the State Treasury.
- 2) On the next General Meeting of Shareholders, the company must list an announcement and an explanation of all things that related to the take-over transaction of DST's share through BKIP as one of its meeting agenda.
- 3) The company must take some necessary actions regarding fund-raised realization plan of Right Issue III, therefore company share ownership could be realized within a period of no later than 12 months since the approval of Chairman of Bapepam notation.

- 4) The company is ordered to pay for all the registration fee of shares owned by public shareholders which are not have conflict of interest with regard to scripless trading implementation.
3. PT Nasio Dutamitra Electric (NDE) Tbk,
This case began in 1998 when PT National Dutamitra Electric perform initial public offering (IPO) of its share and PT Asjaya Indosurya Securities was appointed to be Underwriter of the IPO.
With respect of investigation that has been conducted, Bapepam came upon these following findings:
 - a. PT Asjaya Indosurya Securities did not successful in selling all shares of PT NDE during IPO.
 - b. Despite Underwriting Agreement signed by PT Asjaya Indosurya Securities with issuer was a full-commitment agreement, evidently Mr. Anthony Sumitro Rahardjo individually (President Director of PT NDE) bought all the remainder shares.

Base on such matters, Bapepam impose administrative sanction and oblige parties to exercise certain things as follows:

- 1) Mr Anthony Sumitro Rahardjo (ex-President Director of PT NDE) subject to administrative fines of Rp 100,000,000.00 (one hundred millions rupiah).
 - 2) PT Asjaya Indosurya Securities is charged with Rp 50,000,000.00 of administrative fines and suspension of its license as Underwriter for 3 months period.
4. PT Surya Inti Permata Tbk.
The case begin when an announcement published in Bisnis Indonesia and Suara Indonesia daily newspaper regarding PT Surya Inti Permata Tbk. Stock Split Execution Plan was postponed due to issuance of Circular Notes of PT Jakarta Stock Exchange No: SE-006/BEJ/0899 of August 6, 1999 regarding Tick Price Fairness.
In this respect, Bapepam conducts an investigation in order to collect facts and findings whether or not it could be classified as violation in capital market regulation.
Base on the investigation, there is no evidence that would lead the issuer deliberately postponed stock-split plan which inducing losses to investor.
Investigation result also shows that issuer did not take any advantage for himself or avoided any losses and or influenced other party to buy or sell SIIP share.
Base on the proceedings, the case of PT SIIP investigation is closed.
5. PT Mitra Investdana Securindo and PT Bapindo Bumi Sekuritas
Bapepam keep a keen eye on party, which engage in Securities Company activity without any license issued by Bapepam. This violation is merely lack of obedience of licensed securities companies to comply with Securities Company obligation as referred in official stipulation, especially securities company obligation to to know the background, and investment objectives of its clients.
Bapepam's investigation on a client of two securities companies finds that:
 - a. PT Esa Dana Makmur as a client of PT Mitra Investdana Securindo; and
 - b. PT Kapita Arthamas Agung as client of PT Bapindo Bumi Sekuritas.

Both of the clients, either directly or indirectly, have already engaged in securities company activity. Therefore, in order to stop recurrence of this matters in the future, Bapepam, in line with its function to develop capital market, order PT Esa Dana Makmur and PT Kapita Arthamas Agung to stop their activities and also Bapepam impose written admonitions to PT Mitra Investdana Securindo and PT Bapindo Bumi Sekuritas to comply with Capital Market provisions especially the stipulation which concerned with securities company obligation to know the background, and investment objectives of its clients.
6. PT Jade Securities
Bapepam initiate an investigation on a ground of investor allegation, which informed an indication of violation in capital market regulation involving PT Jade Securities.

Evidently, the investigation result shows some findings that indicate PT Jade Securities violate some stipulation in capital market regulation which are:

- a. Rule V.D.1 concerning Supervision on Securities Company Representative and Employee
 - b. Rule V.D.3 concerning Internal Control and Book Keeping by Securities Company
 - c. Rule V.E.1 concerning Procedure of Securities Company act as Broker-Dealer
- Base on such findings, Bapepam impose written admonition and oblige PT Jade Securities to reestablish its working system and company's internal supervision mechanism in order to comply with these three rules of Bapepam within a period of no later than one month.

Also, Bapepam oblige PT Jade Securities to report company's operating standard procedure progress to Bapepam every end of the week.

7. PT Panin Sekuritas (Investment Manager)

This case starts when Investment Management and Research Bureau of Bapepam conducted routine check up upon allegation of violation in capital market regulation which involved PT Panin Sekuritas as Investment Manager.

To take measure to this information, Bapepam has conducted an investigation and came upon these following findings:

- a. PT Panin Sekuritas as Investment Manager paid a higher transaction fee to an affiliated securities company (PT Panin Sekuritas) than to unaffiliated securities companies (PT Jardine Flemming Nusantara and PT Bahana Sekuritas)
- b. The practices is considered to be a violation toward article 41 of Law No 8 of 1995 concerning Capital Market that sounds :
"A Broker-Dealer that is the Investment Manager of an Investment Fund, or a Broker-Dealer that is Affiliated with a Fund's Investment Manager, may not charge commissions to the Fund that are higher than would be charged by an Unaffiliated Broker-Dealer"

Base on the findings, Bapepam impose written admonitions and oblige PT Panin Sekuritas as broker dealer to return trading fee difference to Panin Investment Funds.

In this occasion, Bapepam consider the necessity to extend that investors awareness for their rights, which is protected by Law No 8 of 1995 concerning capital market, grows for the past years. This can be indicated with the amount of information Bapepam received, such as reports, complaints, critics, and suggestion via formal letters or e-mail.

This shows positively support and contribution for Bapepam in order to develop and to optimize its service and function as regulator and supervisor of capital market, especially capital market law enforcement.

Jakarta, October 31, 2000
Capital Market Supervisory Agency

On behalf of Chairman of Bapepam
Director of the Regulation and Legal Counsel Bureau

Robinson Simbolon