

Press Release

Indonesian Capital Market Supervisory Agency

August 31, 2000

On Thursday, 31 August 2000, Capital Market Supervisory Agency (Bapepam) announced some matters as follows:

I. Illegal Securities Company

With regard to the increasing number of complaint from either domestic or foreign investor which have been defraud by several companies undertaken their business as unlicensed securities company in Indonesia, Bapepam, on this occasion take the opportunity to announce and also to warn public to be aware of taking services from securities company which did not have license issued by Bapepam and claimed itself as a member of Jakarta Stocks Exchange.

At this moment, Bapepam continuously promotes the coordination with Police Force of Indonesia (Polri) in order to, based on current rules, deal with the illegal business activity which inflict loss on investor.

II. The Result of Investigation on 6 (six) cases of Issuers

Concerning cases of Violation on Capital Market Laws which involved 6 (six) Issuers:

1. PT. Daya Guna Samudra Tbk. (PT DGS);
2. PT Bintuni Minaraya Tbk. (PT BMR);
3. PT Super Mitory Utama Tbk. (PT SMU);
4. PT Dharmala Sakti Sejahtera Tbk. (PT DSS);
5. PT Semen Cibinong Tbk. (PT SC); and
6. PT Bakrie Finance Corporation Tbk. (PT BFC)

The result of the investigation, administrative fines imposed, and order to perform certain matters or activities on the six companies and its management is described as follows:

1. PT Daya Guna Samudra Tbk. and PT Bintuni Minarya Tbk.

The two companies did not submit its Annual Financial Report of December 31 1999 timely, therefore violating the disclosure principles of capital market. In addition, both companies was proofed of not reporting to Bapepam and not disclosing the material information of uncollectable transferred receivables which caused an obligation to PT Bank Mandiri (Company)/IBRA that both companies obligations value US \$ 87.3 Millions in total to public.

Based on such facts and findings, Bapepam imposed administrative sanction and ordered to perform certain matters on Party described as follows:

- a. Administrative Fines for both companies concerning 117 days delay of submission of Annual Financial Report per December 31 1999, started on

May 1, 2000 up to August 25, 2000 for which each company was imposed for Rp117,000,000.00 (one hundred seventeen Millions rupiah)

- b. Administrative Fines imposed on both companies concerning their negligence for not reporting material information of uncollectable transferred receivables which caused an obligation to PT Bank Madiri (Persero)/IBRA in amount of US \$ 87.3 Millions started on April 20, 2000 up to August 25, 2000 for which each company was fined with the amount of Rp128,000,000.00 (one hundred twenty eight Millions rupiah) to Bapepam and announcing it to public.
- c. Ordered both companies to be audited by Accountant that audited Annual Financial Report per December 31, 1999 on their Semi-Annual Financial Report per June 30, 1999. The Financial Report, disclosed to public, has to be submitted to Bapepam and Securities Exchange on October 31, 2000, at the latest.
- d. Ordered both companies to call up General Meetings of Independent Shareholders no later than October 2000. The General Meeting of Independent Shareholders should at least have the agenda described as follows :
 1. Accountability report and explanation from management and commissioners of the company to independent shareholders regarding the delay of constituting and submitting Annual Financial Report per 31 December 1999 and also Disclaimer opinion from Accountant as the consequences of the company's going concern dubiousness which are caused by circumstances described as follows:
 - a. Social political condition of Maluku and Papua as the Group's main operational business territory
 - b. A significant amount of loan which have been given to party whom the company has special relationship with, therefore invoke reason of doubt of its redemption.
 - c. Uncollectable transferred receivables that caused obligation to PT Bank Madiri (Persero)/IBRA in amount of US\$ 87.3 millions.
 - d. Working capital deficit and inadequate cash flow to provide funds for obligations reimbursement and current operational which the groups undergone.
 - e. Uncertainty of loan interest charge for party which provides loan.
 2. Company's going concern and business plan
- e. Oblige both companies to pay for all the registration fee of shares owned by shareholders of each company in relation with scripless trading implementation
- f. Ordered management and commissioners of both companies to disclose, at least, information summary as referred in letter d item 1 of this press release

in two Indonesian daily Newspapers that has a nation wide circulation, on working days no later than September 20, 2000

- g. Imposed written admonitions of administrative sanction to management and commissioners of both companies, and also oblige management and commissioners of both companies to pay for their negligence to perform their duty and obligation in conducting the principle of disclosure in accordance with current regulation in amount of Rp250,000,000 (two hundreds fifty millions rupiah) that should be paid to the State Treasury

2. PT Super Mitory Utama Tbk.

The company did not submit Annual Financial Report of 31 December 1999 period timely thus violating the disclosure principle in Capital Market. Moreover, it was also discovered that there was a conflict of interest on transaction in the form of novation, which did not in accordance with Rule No IX.E.1 concerning Conflict of Interest on Certain Transaction, between PT Super Mitory Utama Tbk and PT Multikarsa Investama.

Based on such facts and findings, Bapepam imposed administrative sanction and ordered to perform certain matters to the party described as follows:

- a. Imposed fines of 86 days (eighty six days) submission delay of Annual Financial Report of 1999 in amount of Rp86,000,000.00 (eighty six millions rupiah) to the company
- b. Imposed fines in amount of Rp500,000,000.00 (five hundreds Millions rupiah) to the company with regard to the violation of Rule No IX.E.1 concerning Conflict of Interest on Certain Transaction.
- c. Ordered the company to call up a General Meeting of Independent Shareholders in order to ask for approval from independent shareholders concerning conflict of interest on the transaction.
- d. Oblige both companies to pay for all the shares registration fee with regard to scripless trading implementation
- e. Imposed written admonitions of administrative sanction to management and commissioners of the company, and also oblige management and commissioners of the company to pay for their negligence in conducting their duty and obligation in accordance with the current regulation in amount of Rp250,000,000 (two hundreds fifty millions rupiah) that should be paid to the State Treasury.

3. PT Dharmala Sakti Sejahtera Tbk.

The company did not submit Annual Financial Report for 31 December 1999 period timely thus violating the Capital Market principles of disclosure. Moreover, it has been discovered that there was a conflict of interest on transaction between the company and PT Dharmala Inti Utama for which the company never ask for an approval from independent shareholders in general meeting of shareholders

Based on such facts and findings, Bapepam imposed fines for 102 days (one hundred and two days) submission delay of Annual Financial Report of 1999 in

amount of Rp102,000,000.00 (one hundred and two millions rupiah) to the company, and also imposed fines to the company in amount of Rp500,000,000.00 (five hundreds millions rupiah) regarding violation on Rule No IX.E.1 concerning Conflict of Interest on Certain Transaction.

4. PT Semen Cibinong Tbk.

Based on the investigation result of Semen Cibinong Tbk case, the facts was discovered that the company and company's management did not exercise a prudent conduct managing company's finance especially with regard to short term investment or other investment in amount of US \$ 250 Millions. The imprudent action effected company's going concern and caused the Auditor to give disclaimer opinion on Consolidated Financial Report of December 31 1999. Based on such facts and findings, Bapepam imposed administrative sanction and ordered to perform certain matters for the party described as follows:

- a. Imposed written admonitions of administrative sanction to company and management of the company.
- b. Oblige both companies to pay for all the registration fee of shares which were owned by public shareholders with regard to scripless trading implementation
- c. Oblige the company to disclose at least the information stated below and announced it in two Indonesian Language Newspapers, which have national distribution. The information are as follows:
 1. Regarding deposit status or short term investment or other investment in amount of US \$ 250 Millions at Far East Asia Bank Ltd. and Central Pacific Bank.
 2. Company's going concern and business plan
 3. The development of company debt restructurization, and
 4. Regarding availability and development of negotiation with candidate of strategic investor.

It should be announced within 20 days prior the stipulation of this letter

- d. Ordered the company to call up a General Meeting of Independent Shareholders no later than October 2000 in order to explain all the matters referred in letter c above.
- e. Oblige management of the company to pay for their negligence in conducting their duty and obligation in accordance with the regulation in amount of Rp1,000,000,000 (one billion rupiah)

5. PT Bakrie Finance Corporation Tbk.

Besides submission delay of Annual Financial Report of 1999, company's management also did not conduct with prudent manner to determine the acknowledgement of interest revenue in amount of Rp133,000,000,000.00 in Financial Report per 30 September 1999, which not in accordance with generally accepted accounting principles.

Bapepam found the facts that funds realization raised from Right Issue III of 1998 in amount of Rp475.746.987.000 which is invested in note receivable of PT Putra

Surya Perkasa Intiutama (PSPI) and PT Putra Swadana Perkasa (PSP) did not in line with funds realization plan of Right Issue III as stated in Prospectus despite it has been approved by General Meetings of Shareholders of the company.

Based on such facts and findings, Bapepam imposed administrative sanction and ordered the party stated below to perform certain matters as follows:

- a. Imposed written admonitions of administrative sanction to management of the company and also imposed fines in amount Rp61,000,000,- (sixty one Millions rupiah) due to 16 days delay started on April 31 up to June 30 2000 to submit the Annual Financial Report.
- b. Ordered the company to :
 - 1) set up a public expose, especially with regard to company's going concern and business plan and also explanation regarding the changes on funds realization of Right Issue III;
 - 2) calls up a General Meeting of Independent Shareholders no later than October 2000. The meeting should carry the agenda stated below :
 - a) Explanation of company's going concern and business plan;
 - b) Explanation regarding the changes on funds realization of Limited Right Issue III.
 - 3) pay for all the registration fee of shares, owned by public shareholders, with regard to scripless trading implementation
- c. Ordered management and commissioners of the company to pay Rp500,000,000,- (five hundreds million rupiah) to the State Treasury for their incautious conduct in determining the acknowledgement of interest revenue in amount of Rp133,000,000,000 (one hundred and thirty three billions rupiah) in its Financial Report per 30 September 1999.

III. Fulfillment of the Obligation of Lippo E-net, Lippo Securities, and Fiskaragung Securities.

With regard to administrative sanction imposed and ordered to exercise certain matters on PT Lippo E-net Tbk. and its management, Bapepam, herewith, announced that the company has fulfilled its obligation to pay Rp500,000,000.00 (five hundreds millions rupiah) to the State Treasury, and also the company's management has paid Rp5,000,000,000.00 (five billions rupiah) to the State Treasury. Likewise, PT Lippo Securities has fulfill its obligation to pay Rp500,000,000.00 to the State Treasury.

Whereas Performa Investment Ltd., which have been suspected of exercising insider trading on securities transaction of PT Fiskaragung Perkasa Tbk. in Jakarta Stock Exchange and has already been ordered to pay Rp396,000,000 (three hundreds and ninety six Millions rupiah) to the State Treasury, and up to this moment the company has not fulfilled its obligation. Provided the party has not fulfilled its obligation up to the time limits, Bapepam will proceed its Investigation into Crime Investigation.