

ATTACHMENT

Decision of the Chairman of
Capital Market Supervisory Agency
Number : Kep-16/PM/2004
Date : 13 April 2004

RULE NUMBER IX.L.1 : PROCEDURES FOR CONDUCTING QUASI REORGANIZATION

1. Definition:

Quasi Reorganization is a re-organization, without true re-organization or corporate restructuring that conducted by revaluating assets and liabilities accounts at fair value and eliminating negative retained earnings.
2. Issuer or Public Company that will conduct a Quasi Reorganization should fulfill the following conditions:
 - a. complies with the prevailing rules and regulations and general accounting principles;
 - b. has recorded material negative retained earnings for 3 (three) years consecutively;
 - c. in case of the existing paid in capital is insufficient to eliminate negative retained earnings, the additional paid capital should be put in before the Quasi Reorganization is conducted in accordance with the prevailing rules and regulations;
 - d. provides information disclosure to Bapepam and to the shareholders of the Issuer or Public Company; and
 - e. obtains approval from the Shareholders General Meeting.
3. Disclosure of information as stipulated in item 2 letter d of this rule should include the following:
 - a. plan, objective and consideration to conduct Quasi Reorganization;
 - b. schedule of Quasi Reorganization;
 - c. financial condition of Issuer or Public Company for the last 3 (three) last years in the form of Financial Highlights;
 - d. going concern status of Issuer or Public Company at least includes the following:
 - 1) result of management analysis on the significant cause of loss along with the corrective action; and
 - 2) business plan.
 - e. fair valuation result of fixed assets from the appraiser registered with Bapepam and fair valuation result of liabilities and assets other than fixed assets from the independent party. The date of valuation result should not exceed 180 (a hundred and eighty) days before the date of Shareholders General Meeting;
 - f. audited balance sheet before Quasi Reorganization and pro forma balance sheet after Quasi Reorganization, including detailed calculation of negative retained

earnings elimination, reviewed by Accountant registered with Bapepam, at the date of Quasi Reorganization; and

- g. opinion from Accountant registered with Bapepam regarding consistency in implementing procedures and provisions for conducting Quasi Reorganization with the general accounting principles, including existing accounting adjustments.
4. Issuer or Public Company that will conduct Quasi Reorganization, either stand alone or followed with corporate restructuring, shall submit to Bapepam information as stipulated in item 3 at the same time Issuer or Public Company put Quasi Reorganization plan in the agenda of Shareholders General Meeting. The information as stipulated in item 3 shall also be included in the announcement or notification of Shareholders General Meeting.

Public announcement shall be made at least in 1 (one) Indonesian daily newspaper with National circulation.

5. Proof of public announcement of information as stipulated in item 4 of this rule and supporting documents shall be submitted to Bapepam not later than at the end of the second workday after the announcement.
6. In case of the negative retained earnings are caused by a subsidiary whose financial statement is consolidated with that of Issuer or Public Company, Quasi Reorganization shall be conducted by the respective subsidiary.
7. By no means undermining criminal stipulation in capital market, Bapepam may impose sanctions on any violations of this rule, as well as on any Person that causes the violation to occur.

Enacted in : Jakarta
Date : 13 April 2004

Chairman of Capital Market Supervisory Agency

Signed

Herwidayatmo
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Based on the original document
Ad Interim Executive Secretary

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