

**MINISTRY OF FINANCE OF REPUBLIC OF INDONESIA  
CAPITAL MARKET SUPERVISORY AGENCY**

DUPLICATE OF  
DECISION OF THE CHAIRMAN OF BAPEPAM  
NUMBER: KEP-26/PM/2003

CONCERNING

PRE EMPTIVE RIGHTS

CHAIRMAN OF INDONESIAN CAPITAL MARKET SUPERVISORY AGENCY,

- Considering : That in order to enhance the effectiveness and efficiency of capital expansion of company that has conducted a Public Offering or Public Company without reducing the protection to investor, it is deemed necessary to revise Rule Number IX.D.1 concerning Pre Emptive Rights, Attachment of Bapepam's Chairman Decision Number Kep-07/PM/2001 dated March 23, 2001;
- In view of :
1. Law Number 8 of 1995 Concerning Capital Market (Statute Book Year 1995 Number 64, Supplement to the Statute Book Number 3608);
  2. Government Regulation Number 45 of 1995 Concerning Capital Market Organization (Statute Book Year 1995 Number 86, Supplement to Statute Book Number 3617);
  3. Government Regulation Number 46 of 1995 Concerning Capital Marker Formal Investigative Procedures (Statute Book Year 1995 Number 87, Supplement to Statute Book Number 3618);
  4. President of Indonesia Decree Number 7/M of 2000;

HAS DECIDED TO ISSUE:

Decision of the Chairman of Bapepam Concerning Pre Emptive Rights

**MINISTRY OF FINANCE OF REPUBLIC OF INDONESIA  
CAPITAL MARKET SUPERVISORY AGENCY**

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Article 1

Provisions concerning Pre Emptive Rights are regulated in Rule Number IX.D.1 as stipulated in the attachment of this decision.

Article 2

With the enactment of this Decision, the Bapepam Rule Number IX.D.1 Concerning Pre Emptive Rights, Attachment of Bapepam's Chairman Decision Number Kep-07/PM/2001 dated March 23, 2001 is declared revoked.

Article 3

This decision shall become effective since the date of its promulgation.

Enacted in : Jakarta  
Date : July 17, 2003  
Indonesian Capital Market supervisory Agency

**Herwidayatmo**  
Chairman

Based on the original documents

**Pande Putu Raka**  
Executive Secretary

**ATTACHMENT :**

Decision of the Chairman of BAPEPAM

Number : Kep-26/PM/2003

Date : July 17, 2003

**RULE NUMBER IX.D.1 : PRE-EMPTIVE RIGHT**

1. Definitions:

- a. Pre-emptive Right is the right of an existing shareholder to purchase new Securities, including shares, convertible Securities and warrants, before they are offered to others. Such rights must be transferable.
  - b. Warrant is a form of Securities issued by a company that gives the holder the right to subscribe shares of the company at a specified price, within 6 (six) months or more after the Warrant are issued.
2. In the event that a company that has made a Public Offering or a Public Company intends to increase its stock capital, including through the issuance of Warrants or Convertible Securities, each of the shareholder must be given the Pre-emptive Right to subscribe to the new Securities in proportion to their percentage of ownership.
  3. If the company mentioned in item 2 has more than one type of shares, and if the number of shares in each type is being increased proportionately, existing shareholders must receive Pre-emptive Rights in proportion to their percentage of ownerships in the each type of shares.
  4. If the company mentioned in item 2 has more than one type of shares but only one type of shares is being increased, or the increasing number of each type of shares is not proportionate, or if the offering consists of Convertible Securities, all shareholders must receive Pre-emptive Rights in proportion to their percentage of ownership of the company. The offering must be approved by shareholders that represent a majority of shares in each type of shares.
  5. If the company mentioned in item 2 issues Warrants, the total number of the Warrants and outstanding Warrants must not exceed 35% (thirty five percent) of number of shares of paid in capital at the date the Registration Statement is submitted.
  6. A company mentioned in item 2 that intends to increase its capital stock through Pre-emptive Rights or a Public Offering of Warrants or Convertible Securities must hold a General Meeting of Shareholders to consider and approve the proposed offering. The company must disclose the information referred to in item 14 of this rule and make the Prospectus available to shareholders as stipulated in Rule Number IX.D.3,

no later than 28 (twenty eight) days before the General Meeting of Shareholders is held. Any changes or additional information regarding the Pre-emptive Rights referred to in Rule Number IX.D.3 must be made available to shareholders at least by the time the General Meeting of Shareholders is held.

7. The following requirements must be fulfilled, in order to hold a General Meeting of Shareholders with respect to a Public Offering with Pre-emptive Rights:
  - a. the company referred to in item 2 of this rule has submitted a Registration Statement and supporting documents to Bapepam in the form and including the information that is required for a Public Offering with Pre-emptive Rights, in accordance with Rule Number IX.D.2 regarding Guidelines concerning the Form and Content of a Registration Statement for Pre-emptive Rights no later than 28 (twenty eight) days before the General Meeting of Shareholders; and
  - b. Bapepam has no more responses in writing concerning the Registration Statement that was submitted.
8. Unless otherwise stipulated by Bapepam, the Registration Statement required by item 7 of this rule becomes effective upon approval by the shareholders at the General Meeting of Shareholders regarding the Pre-emptive Rights offering
9. If it is intended that part or all of the funds from a Public Offering with Pre-emptive Rights will be used for transactions that have a conflict of interest, the provisions of this rule and the provisions contained in Rule Number IX.E.1 must be fulfilled.
10. The requirements for providing Pre-emptive Rights mentioned in item 2 of this rule are not applicable if the company issues shares as a result of retained earnings capitalization and or other paid in capital, such as stock dividends or bonus shares.
11. Pre-emptive Right is transferable and may be evidenced by:
  - a. a record of ownership in the share register book of the company or the Securities Administration Agency;
  - b. a Pre-emptive Right certificate issued by the company to shareholders registered on a specific date.  
Such certificate must be made available prior to the initiation of, and during, the trading period specified in item 17 of this rule;
  - c. a coupon detachable from the share certificate; or
  - d. a confirmation or securities account report issued by Custodian.
12. Shareholders that have the right to Pre-emptive Rights referred to in item 14 letter d of this rule are shareholders that are recorded on the share register book 8 (eight) working days after the General Meeting of Shareholders.

13. Pre-emptive Rights may be exchanged for new Securities during the trading period. Such new Securities must be issued and made available within 2 (two) working days after the exercise of the Pre-emptive Right.
14. Important Pre-emptive Right offering information that must be announced before the General Meeting of Shareholders referred to in item 6 of this rule consists of, among other :
  - a. the full name of the Issuer or Public Company, the address of the head office, telephone, telex, facsimile, E-mail and post office box numbers;
  - b. a description of the Securities that resulted from the exercise of the Pre-emptive Rights;
  - c. the date of the General Meeting of Shareholders;
  - d. the record date that determines the shareholders recorded on the Share register books have Pre-emptive Rights, or the coupon numbers for determining the Pre-emptive Rights;
  - e. the last date for exercising the Pre-emptive Rights with a notification that rights not exercised will expire on that date, and the last date for payment;
  - f. the trading period of the Pre-emptive Rights;
  - g. the price of Securities subscriptions;
  - h. the ratio of Pre-emptive Rights to existing shares;
  - i. the procedures for subscribing for Securities;
  - j. a description of the treatment of Securities that are not purchased by entitled party and Pre-emptive Rights in a form of fraction;
  - k. a statement regarding the procedure to transfer the Pre-emptive Rights;
  - l. procedures for issuing and delivering proof of the Pre-emptive Rights as well as the Securities certificates;
  - m. the name of the Securities Exchange where the Pre-emptive Rights and the underlying shares are listed (if any);
  - n. the plan of the Issuer or Public Company to issue or not to issue shares or other Securities that may be converted into shares within 12 (twelve) months after the effective date;
  - o. the full name of the Party that is prepared to buy remaining shares (if any);
  - p. dilution effect of the issuance of the shares;
  - q. the use of the funds received from the Pre-emptive Rights Offering;
  - r. a summary analysis and discussion by management; and
  - s. information regarding where to obtain a Prospectus.

15. In the event the rights issue is for convertible debt Securities, the Issuer or Public Company in addition to the information described in item 14 must also disclose matters such as the following :
- a. The rights of the securities holders
  - b. The characteristics of Securities that may be converted to another type of Securities
  - c. characteristics of convertible debt Securities allowing redemption before maturity at the option of the Issuer or the Securities holder
  - d. the price and interest rate of convertible debt Securities. If the interest rate is floating, the method of determining the floating rate must be described;
  - e. the schedule for redemption or instalments including the amount;
  - f. the schedule for interest payments;
  - g. the schedule for conversions;
  - h. sinking fund provisions (if any);
  - i. the type of currency that denominates the debt and other alternative currencies (if any) used in issuing the debt Securities; and
  - j. the name, address of the head office and descriptions of Persons that act as Trustee and Guarantors (if any).

Any changes or additional information regarding the Pre-emptive Rights mentioned above as well as referred to in item 14 must be announced no later than 2 (two) working days before the General Meeting of Shareholders is held.

16. In the event that the shareholder hold Pre-emptive right in a form of fraction, the right of the Securities fraction must be sold by the company and the proceed must be put on the company's account.
17. The company referred to in item 2 of this rule must take measures to facilitate the transferability of Pre-emptive Rights. If the underlying Securities are listed on a Securities Exchange, the Pre-emptive Rights must be listed on the same Exchange. Trading of the Pre-emptive Rights certificates begins after the end of the distribution of the Pre-emptive Rights certificates and continues for at least 5 (five) working days and not more than 30 (thirty) working days after the final date of distribution. The Pre-emptive Rights certificates must be available and distributed not later than 1 (one) working days after the share register book that have the right to receive the Pre-emptive Rights.
18. Securities Exchanges must automatically list Pre-emptive Rights related to listed Securities without additional listing fees.

19. Unless otherwise stipulated by Bapepam, Securities Exchanges must automatically list Securities identical to listed Securities and Securities resulting from :
  - a. the exercise of Pre-emptive Rights, Warrants or convertible Securities;
  - b. the issuance of shares that come from capitalization of retained earnings and or other paid in capital such as share dividends or bonus shares; or
  - c. stock splits.

The listing fee for Securities resulting from the exercise of such rights must be based on the same calculation applicable to similar types of Securities

20. Securities resulting from the exercise of Pre-emptive Rights that are different from the underlying Securities, to which the Rights are attached, and are different from any other Exchange listed Securities of the company, are not required to be listed on an Exchange.
21. Pre-emptive Rights that are listed may also be traded outside the Exchange.
22. In connection with Pre-emptive Rights, the company must make arrangements to allocate unsubscribed Securities at the same subscription price to all shareholders interested in purchasing additional Securities during the exercise period. Payments for such Securities shall be made in accordance with item 24 of this rule. If the requests for unsubscribed Securities are more than the available Securities, the Securities shall be allocated in proportion to the number of Pre-emptive Rights exercised by respective shareholders requesting additional Securities based on the subscription price.
23. In the exercise of Pre-emptive Rights, the company must issue receipts as a proof that rights have been exercised. The receipts must indicate whether the right holders or the shareholders intend to order additional Securities of the unexercised rights.

In this case, the company must retain the copies of receipts that contain the number of additional shares or Securities ordered.

24. The allocation referred to in item 22 of this rule must be completed no later than 1 (one) working days after the end of payment for additional Securities order. Subscribers for additional Securities must deposit with the company the full payment for such additional Securities no later than 2 (two) working days after the end of the trading period of the Pre-emptive Rights.

The company referred to in item 2 of this Rule must refund to subscribers the funds submitted for the unfilled portion of their orders, in 2 (two) working days after the allocation date.

25. Upon completion of the Securities allocation referred to in item 24 of this rule, all documents relating to the exercise of such Pre-emptive Rights, including copies of receipts, must be retained by the company for a period of at least 5 (five) years. The

company must appoint an Accountant registered with Bapepam to conduct a special audit regarding the exercise of the Pre-emptive Right. The audit report regarding the fairness of the transaction must be submitted to Bapepam within 30 (thirty) days after the allocation date.

26. In the event that the company referred to in item 2 of this rule intends to increase its capital in a specific amount; prior to the issuance of the Pre-emptive Rights, the company must obtain a guarantee from a specified Person to purchase, at no less than the subscription price, any remaining Securities for which rights are not exercised
27. Information required to be made public pursuant to this rule, must be published in at least 1 (one) Indonesian newspaper that has nation wide circulation. A copy of the notice of publication must be submitted to Bapepam no later than the end of the 2<sup>nd</sup> (second) working day after the publication. Publication may be substituted by other methods approved by Bapepam
28. Without limiting the authority of the Criminal Provision in the Capital Market, Bapepam has the authority to impose sanction on any Party that violates this Rule or any Party that causes the violation of this rule.

Signed in Jakarta  
On July 17, 2003  
Chairman of Indonesian Capital Market  
Supervisory Agency

Signed

Herwidayatmo  
NIP 060065750

Copied as appears on the original version  
Secretary

Signed

Pande Putu Raka  
NIP 060034443