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Effective Date : October 15, 1992
 Offering Period : October 21, 1992 - October 27, 1992
 Last Date of Allotment : November 4, 1992
 Date of Refund : November 9, 1992
 Date of Listing on the Jakarta Stock Exchange and Surabaya Stock Exchange : November 20, 1992



PT SINAR MAS AGRO RESOURCES AND TECHNOLOGY CORPORATION (PT SMART CORPORATION)

Line of Business:
engaged in the cooking oil and margarine industry
integrated with plantations

Domiciled in Jakarta, Indonesia

Representative Office

● Jl. Tengku Umar 8 DC
Pekan Baru - Riau
Phone : 62 (0761) 31417
Fax : 62 (0761) 32269
● BII Building 3rd-5th Floor
Jl. Mangkubumi No. 18
Medan
Phone : 62 (061) 517322, 517291
Telex : 51568 SMIP IA
Fax : 62 (061) 516938
● Jl. Mawar 63
Banjarmasin
Phone : 62 (0511) 66772

Head Office

● J.I.T.C. Building 10th Floor
Jl. Mangga Dua Raya
Jakarta 14430
Phone : 62 (021) 6017050 - 6017070
Telex : 40145 SMART IA
Fax : 62 (021) 6017059 - 6017080

Factory

● Jl. Rungkut Industri Raya No. 19 Surabaya
Phone : 62 (031) 816161
Telex : 33139,33119 MURO IA
Fax : 62 (031) 810671
● Jl. Gresik No. 1
Surabaya
Phone : 62 (031) 24997, 24998

PUBLIC OFFER

30,000,000 (thirty million) Registered Common Shares with a nominal value of Rp 1,000.00 (one thousand rupiahs) per share. Offer Price of Rp 3,000.00 (three thousand rupiahs) per share payable in full upon submission of the Share Subscription Application Form.

MANAGING UNDERWRITERS

PT Wi Carr Indonesia (Representative)

PT Indovest Securities

UNDERWRITERS

PT Makindo
 PT Sinar Mas Eka Graha (affiliated to PT SMART Corporation)
 PT KES Sinar Mas Securities (affiliated to PT SMART Corporation)
 PT Daiwa Indonesia Securities
 PT Asian Development Securities (affiliated to PT SMART Corporation)
 PT BT Prima Securities Indonesia
 PT Gajah Tunggal DBS Securities
 PT Danareksa (Persero)
 PT Pentasena Arthasentosa
 PT Lippo Securities

PT SINAR MAS AGRO RESOURCES AND TECHNOLOGY CORPORATION AND MANAGING UNDERWRITERS ARE FULLY RESPONSIBLE FOR THE TRUTHFULNESS OF ALL INFORMATION AND DATA AND FAIR OPINION REGARDING THE CONDITION OF THE COMPANY AS SET FORTH IN THIS PROSPECTUS.

This Prospectus is published in Jakarta on October 17, 1992.

This Prospectus is translated from the prospectus published in the Indonesian language. In the event of any disputes regarding any information contained herein, the Indonesian version shall be deemed to be the governing document.



The Company's products

PT Sinar Mas Agro Resources And Technology Corporation has submitted a Registration Statement with regard to this Public Offer to the Chairman of the Capital Market Supervisory Agency (Badan Pengawas Pasar Modal/Bapepam) in Jakarta on 22 July 1992 in accordance with the requirement under the Decree of the Minister of Finance of the Republic of Indonesia No. 1548/KMK.013/1990, dated 4 December 1990, juncto the Decree of the Minister of Finance of the Republic of Indonesia No. 1199/KMK.010/1991, dated 30 November 1991.

The shares offered herein are to be listed on the Jakarta Stock Exchange and Surabaya Stock Exchange if the total number of shareholders individual as well as institution reaches at least 200 (two hundred) and each shareholder owns at least 1 (one) lot of shares. If the aforementioned requirements are not fulfilled then the listing of shares shall be cancelled and the advance payment shall be refunded to the applicants.

The Underwriters and the parties involved in the Public Offer are fully responsible for the truthfulness of data and fairness of the opinion presented in this Prospectus in line with their respective professional fields in accordance with the prevailing law and professional code of ethics and norms.

With regard to this Public Offer, any associated party is not allowed to furnish any explanations or make any statements on matters not contained in this Prospectus without the written approval of PT Sinar Mas Agro Resources And Technology Corporation, PT Wi Carr Indonesia and PT Indovest Securities.

Managing Underwriters expressly state that they are not directly or indirectly associated or affiliated with the Issuer (as meant by the Decree of the Minister of Finance of the Republic of Indonesia No. 1548/KMK.013/1990, dated 4 December 1990, juncto the Decree of the Minister of Finance of the Republic of Indonesia No. 1199/KMK.010/1991, dated 30 November 1991). Some of the Underwriters i.e. PT Sinar Mas Eka Graha, PT Asian Development Securities and PT KES Sinar Mas Securities are affiliated and associated with the Issuer. Detailed explanations regarding such affiliation and association shall be presented in Chapter XIV of this Prospectus.

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I. PUBLIC OFFER

On behalf of PT SINAR MAS AGRO RESOURCES AND TECHNOLOGY CORPORATION (hereinafter in this prospectus is referred to as the Company) the underwriters hereby offer for subscription of 30,000,000 (thirty million) Registered Common Shares with a nominal value of Rp 1,000.00 (one thousand rupiahs) per share, at an offer price of Rp 3,000.00 (three thousand rupiahs) per share.



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PARAMOUNT RISK

SINCE THE PRODUCTION LEVEL OF COOKING OIL AND MARGARINE WHICH CONSTITUTE THE PRINCIPAL PRODUCTS OF THE COMPANY IS HIGHLY DEPENDENT ON THE AVAILABILITY OF RAW MATERIAL SUCH AS CRUDE PALM OIL, INSUFFICIENT SUPPLY OF THE RAW MATERIAL WILL REDUCE THE PRODUCTION LEVEL WHICH IN TURN WILL SUBSTANTIALLY DECREASE THE REVENUES BECAUSE COOKING OIL IS THE LARGEST CONTRIBUTOR TO THE COMPANY'S SALES.

Other risks are provided in Chapter VI of this Prospectus.

PT Sinar Mas Agro Resources And Technology Corporation is a limited liability company established in Jakarta. The Company was established under the name PT Maskapai Perkebunan Sumcama Padang Halaban, by virtue of Deed No. 67 dated 18 June 1962, executed before Raden Hadiwido, substitute for Raden Kadiman, Notary in Jakarta, Deed No. 82 dated 25 June 1963 and Deed No.43 dated 26 August 1963, both were executed before Raden Kadiman, Notary in Jakarta, and approved by the Minister of Justice of the Republic of Indonesia in Decision Letter No. J.A.5/115/3 dated 29 August 1963 and registered with the Jakarta District Court dated 5 September 1963 registration Nos. 3-2087, 2088, and 2089, which Articles of Association and the amendments thereto were published in the State Gazette of the Republic of Indonesia No. 83 dated 15 October 1963, Supplement No. 570. The Articles of Association of the Company were amended by deed No. 66 dated 21 January 1964 and deed No. 28 dated 11 March 1964 both executed before Raden Kadiman, notary in Jakarta and approved by the Minister of Justice of the Republic of Indonesia in Decision Letter No. J.A.5/45/17 dated 17 March 1964 and registered with the Jakarta District Court dated 24 March 1964 registration Nos. 812 and 813 and published in the State Gazette of the Republic of Indonesia dated 22 May 1964 No. 41, Supplement No. 118 which were further amended by Deed No. 88 dated 22 April 1971 and Deed No. 183 dated 21 March 1973, both executed before Raden Soeratman, Notary in Jakarta and approved by the Minister of Justice of the Republic of Indonesia in Decision Letter No. J.A.5/135/21 dated 23 May 1973 and registered with the Jakarta District Court dated 8 June 1973, registration Nos. 2067 and 2068. These amendments were published in the State Gazette of the Republic of Indonesia No. 66 dated 16 August 1973, Supplement No. 583.

The Articles of Association of the Company were then amended by Deed No.111 dated 11 July 1985, Deed No. 191 dated 27 August 1986, Deed No. 263 dated 16 March 1990 and Deed No. 209 dated 10 September 1991, all executed before Benny Kristianto, S.H., Notary in Jakarta, and approved by the Minister of Justice of the Republic of Indonesia in Decision Letter No. C2-6361.HT.01.04.Th.91 dated 5 November 1991 and registered with the Central Jakarta District Court dated 19 December 1991 registration Nos. 2773, 2774, 2775, and 2776 and published in the State Gazette of the Republic of Indonesia dated 12 May 1992 No. 38, Supplement No. 2136.

In connection with this Public Offer the Articles of Association of the Company were further amended by Deed No. 102 dated 23 June 1992 and Deed No. 45 dated 11 September 1992, both executed before Imas Fatimah, S.H., Notary in Jakarta and approved by the Minister of Justice of the Republic of Indonesia in Decision Letter No. C2-8128.HT.01.04.Th.92 dated 29 September 1992, and registered with the North Jakarta District Court dated 3 October 1992 registration Nos. 545/Leg/1992 and 546/Leg/1992.

The composition of Share Capital of the Company on the date of this Prospectus publication is as follows:

SHARE CAPITAL

Consisting of Registered Common Shares with a nominal value of
Rp 1,000.00 (one thousand rupiahs) per share

	Authorized Capital	Issued and Fully Paid Up Capital	Shares Currently Offered to the Public
Number of shares	380,000,000	120,000,000	30,000,000
Total Nominal Value (Rp)	380,000,000,000.00	120,000,000,000.00	30,000,000,000.00

By virtue of BAPEPAM's letter No. S-1705/PM/1992, dated 15 October 1992, the Registration Statement becomes effective in respect of the public offer of 30,000,000 Registered Common Shares with a nominal value of Rp 1,000.00 (one thousand rupiahs) per share.

All Registered Common Shares herein offered comprise new shares and will rank pari passu in all respects with the existing issued and paid up Registered Common Shares.

Upon the sale of all the shares under this public offer, the composition of the Shares Capital of the Company before and after this public offer is as follows:

	Prior to the Public Offer			After the Public Offer		
	Number of Shares	Nominal Value (Rp 000.00)	%	Number of Shares	Nominal Value (Rp 000.00)	%
a) Authorized Capital	380,000,000	380,000,000		380,000,000	380,000,000	
b) Issued Capital	120,000,000	120,000,000		150,000,000	150,000,000	
c) Paid up Capital:						
PT Sinar Mas Tunggal	65,400,000	65,400,000	54.50	65,400,000	65,400,000	43.60
PT Supra Veritas	39,600,000	39,600,000	33.00	39,600,000	39,600,000	26.40
PT Sadang Mas	15,000,000	15,000,000	12.50	15,000,000	15,000,000	10.00
Public				30,000,000	30,000,000	20.00
Total Paid-up Capital	120,000,000	120,000,000	100.00	150,000,000	150,000,000	100.00
Shares in Portfolio	260,000,000	260,000,000		230,000,000	230,000,000	

Contemporaneously with the Public Offer of 20% (twenty per cent) mentioned above, on behalf of the existing shareholders the Company plans to list all of the issued and paid up share capital. As a result, after this public offer 150,000,000 (one hundred and fifty million) shares or 100% (one hundred per cent) of the issued and paid up capital of the Company will be listed.

The listed shares which are owned by the existing shareholders altogether totalling 120,000,000 (one hundred twenty million) shares or 80% (eighty per cent), will not be disposed of by the respective shareholders within a period of 8 (eight) months after the effective date of the Registration Statement.

PT Sinar Mas Tunggal and PT Supra Veritas are owned by the Widjaja family, PT Sadang Mas is owned by PT Supra Veritas.

II. PURPOSE OF THE PUBLIC OFFER

The purposes of the Company to offer a part of its shares to the public through the Capital Market are :

1. to finance part of the Company's business expansion: to expand oil palm plantations, to establish banana plantation, and to build oil palm refinery;
2. to finance the equity participation in Oleo-Chemical factory;
3. to increase the working capital of the Company;
4. to give the opportunity to the public to participate in part of the Company's shares.

III. PROCEEDS OF THE PUBLIC OFFER

In accordance with the purpose of the Public Offer, all (100%) of the proceeds after deduction for issue expenses will be used to finance the Company's business expansion as specified below:

1. approximately 57% will be used as investment expenditures for developing the Company's oil palm plantation in South Kalimantan and Banana plantation in North Sulawesi.
2. approximately 19% will be used to build palm oil refinery in Dumai.
3. approximately 18% will be used for financing the equity participation in the affiliated company engaging in Oleo-Chemical industry (to produce raw material for other industries such as cosmetic, soap industries, etc.).
4. approximately 6% will be used to increase the Company's working capital.

ADDITIONAL INFORMATION ON THE APPLICATION OF THE PROCEEDS OF PUBLIC OFFER

Oil Palm Plantation

Oilpalm plantation project of 20,000 ha will be opened by the Company on a reserved area of 25,000 ha.

This plantation is located in South Kalimantan, Batulicin, Kotabaru Regency. The Company plans to cultivate this plantation over a six year period, where as the planting is scheduled to be carried out from 1993 until 1996, with a period of immaturity from 1994 until 1998 and the refinery shall be built in 1995 and 1998. The refinery which is designed to process oil palm nuts shall comprise two units each having a capacity of 60 tons FFB per hour.

Total investment in this project is projected to reach Rp120 billion excluding interest during construction and pre operating expenses (overhead costs until the plants are productive) estimated to reach the total of Rp 40 billion.

The oil palm in this project will be productive in 1996 and CPO derived from this project will be used to procure the supply to the Company's refinery in Surabaya. It is projected by the year 2,000 the plantation will have produced 100,000 tons CPO and 20,000 tons PK. The investment in this project is expected to return in 10 years.

Banana Plantation

Banana plantation is one of the Company's diversification efforts to anticipate the world's needs for food especially from the plantation.

In 1991 the Company held 19% of minority shares in PT Global Agronusa Indonesia, a company with engaged in banana plantation only. Overseas distributors, especially those of Japan and Korea, are very much impressed by the development of this plantation.

Due to high demand for this commodity, PT Global has entered into an off-take agreement with respect to its products for the next 10 years.

The Company has been requested by the distributors who are not the parties to the said contract to open its own plantation. In response to such request the Company has acquired reserved land for banana plantation in North Sulawesi covering an area of 2,000 ha and the Company also has been exploring the possibility of acquiring the adjacent land.

The Company intends to cultivate the banana plantation in 1993 with a total investment of Rp 93 billion. This high investment arises because the Company must establish by itself the infrastructures and harbour near the plantation, to cope with the problems that result from banana's bio-degradable nature.

This modern banana plantation will be equipped not only with cable transportation for transporting the bananas, but also with a primary, secondary, and tertiary drainage systems together with irrigation throughout the plantation. For sorting before export, 8 buildings will be built for the purposes of sorting-out, cleaning and packing of bananas and 50 trucks will be provided for transportation from the plantation to the harbour.

On the basis of PT Global Agronusa Indonesia off-take Agreement as a guidance, the Company expects the return on investment of this project in 6 years including the clearance period of land.

New Refinery in Dumai.

To anticipate the increase of demand for the world's cooking oil after 1995, the Company will establish a new factory in Dumai (Riau). It is forecasted that the refinery will have a capacity of 1,000 tons CPO per day and will cost Rp 35 billion.

All products from this refinery will be exported and 50% of the raw material need will be supplied by Sinar Mas Group's plantations and its business partners which are presently managed by the Company. The shortfall of the raw material needs shall be obtained from other ever-expanding plantations in Riau. It is projected that the return on investment of this project will take 8 years.

Oleo Chemical Industry

For other diversification step the Company has established Oleo Chemical Industry in Medan, North Sumatera jointly with its partners from Japan. This project which will produce Fatty Acid from CPO and Stearin, requires an investment of Rp 125 billion.

The Company will hold 40% of the shares of this company and the balance of 60% will be held by Marubeni Corporation, Shiseido, Nippon Oil & Fats and Hitachi Zosen. This joint-venture company, PT Sinar Oleo Chemical International will start its commercial production in 1995 and its products are for export.

Option

For the expansion of its oil palm and tea plantation, in August 1992 the Company had an Option to purchase the plantations mentioned below with options expiring within one year. The Company will exercise such option after an independent Appraiser has completed its Appraisal Report.

The plantations to be purchased are as follows:

- a. 49% oil palm plantation immature tree, covering an area of 20,000 ha in Jambi for Rp 10,780,000,000.00 (ten billion seven hundred eighty million rupiahs).
- b. 49% of the shares of a company owning a tea plantation of 612 ha in West Java for Rp 815,000,000.00 (eight hundred fifteen million rupiahs).
- c. 100% of the shares of a company owning tea plantation of 589 ha in West Java for Rp 5,435,000,000.00 (five billion four hundred thirty five million rupiahs).

If the Company exercises its option to purchase the three/one of the plantations mentioned above, the funds which will be used to finance such purchase will be taken from the income of the operation of the company.

IV. STATEMENT OF INDEBTEDNESS

Bank Loan

Short term loan/overdraft and long term loan which will be due on 30 June 1992 show the outstanding of Rp 52,968,697,027.00 (fifty two billion nine hundred sixty eight million six hundred ninety seven thousand and twenty seven rupiahs). Long term loan which will be due in this year is Rp 5,978,000,000.00 (five billion nine hundred seventy eight million rupiahs) and the long term which has not been due in this year is Rp 6,698,210,081.00 (six billion six hundred ninety eight million two hundred ten thousand and eighty one rupiahs), making thereby a total long term loan of Rp 12,676,210,081.00 (twelve billion six hundred seventy six million two hundred ten thousand and eighty one rupiahs).

Short term loan/overdraft are credit facilities in rupiah and United States Dollar from some state banks, private banks, and foreign banks, used by the Company to finance its daily activities. This credit facilities are short-term credit which expire within one year and will be repaid on the maturity date or be extended according to the agreement with the bank concerned. The short-term facilities are secured inter alia by personal guarantees, stocks, account receivables, and corporate guarantee from parent company (Sinar Mas Group).

Long term loan of Rp 22,500,000,000.00 (twenty two billion five hundred million rupiahs) is a credit facility from state bank to finance the acquisitions of affiliated companies in 1989. The instalments will be made quarterly and will be fully repaid at the end of December 1994. The outstanding per 30 June 1992 including the amount due in 1992 was Rp 11,515,868,771.00 (eleven billion five hundred fifteen million eight hundred sixty eight thousand seven hundred and seventy one rupiahs). Other long-term loan was used to buy assets and its outstanding per 30 June 1992 was Rp 1,160,341,310.00 (one billion one hundred sixty million three hundred forty one thousand three hundred and ten rupiahs). Part of the Company's fixed assets are used as security for this facility.

Capital Lease Obligations

Capital lease obligation and its current position on 30 June 1992 was Rp 218,424,266.00 (two hundred eighteen million four hundred twenty four thousand two hundred and sixty six rupiahs) and Rp 164,609,126.00 (one hundred sixty four million six hundred nine thousand one hundred and twenty six rupiahs) respectively.

These capital lease obligation were obtained from several leasing companies to finance the vehicles and transportation equipment. The instalment is payable monthly or quarterly and the last instalment will due in August 1994.

Guarantee to Other Parties and Debt Commitment.

By 30 June 1992 the Company did not issue any corporate guarantee to other companies other than to its subsidiaries and the Company did not have any debt commitment to any other parties.

V. ANALYSIS AND DISCOURSE BY THE MANAGEMENT

The world economic globalization which has been felt by almost all countries in the world in the early decade of 1990 has indirectly affected Indonesian economic conditions, the effect of which requires business community in Indonesia to increase the competitiveness of their products. Inevitably, the market for palm oil and its by-products also suffers keener competition. The products obtained from palm oil industries not only widely used for cooking oil and margarine but they have also become the raw materials for other industries products such as soap, cosmetic, etc as well.

Since 1991 the Company has concentrated its operation mainly on palm oil industries and its by-products. The Company's core business has at present become the chief supporter in producing its main products of the Company such as cooking oil, margarine, and shortening. In addition, the Company also owns and exploits tea, coconut, and banana plantations and tuna cannery.

The Company has attributed successful performances in a variety of activities to the high spirit and hardwork of the Board of Commissioners, Board of Directors, employees, shareholders, and the trust provided by the society in the last few years can be specified as below:

MARKETING

Basically crude palm oil (CPO) is used for the Company's own consumption. However, due to economic consideration the refinery can also purchase CPO from other parties and CPO from the Company's own plantation can also be sold freely in commodity market.

The products obtained from refinery cooking oil, margarine and shortening are sold to customers through some marketing outlets:

1. Branded cooking oil and margarine are distributed by PT Tigaraksa Satria and PT Eresindo as national distributors and some local distributors appointed by the Company.
2. Unbranded cooking oil are sold in bulk. The Company owns some bulking stations in Surabaya, Semarang, Jakarta, Medan, and Ujung Pandang for bulk distribution. Bulking Stations in other strategic cities such as Cilacap, Cirebon, Palembang, and other cities will be set-up immediately.
3. Other products such as refined bleached deodorized stearin (RBDST) and palm fatty acid distillate (PFAD) are sold in bulk by the Company directly from the refinery without the intermediary of distributors or distribution centre.

Tea is sold through trade brokers in Indonesia as well as outside Indonesia.

The sales of bananas of PT Global Agronusa Indonesia is handled by Artal Fresh Food Company, Hong Kong, which has entered into an off-take agreement for the purchase of all banana products starting from the early of 1993. Bananas from the Company's plantation will be subject to the same agreement commencing from the end of 1994.

With respect to tuna canning, the cannery plant receives orders for canning and canned tuna is sold under the customer label. Sales arrangement has been made with Ayala Group, business partner from the Philipines.

FINANCIAL ANALYSIS

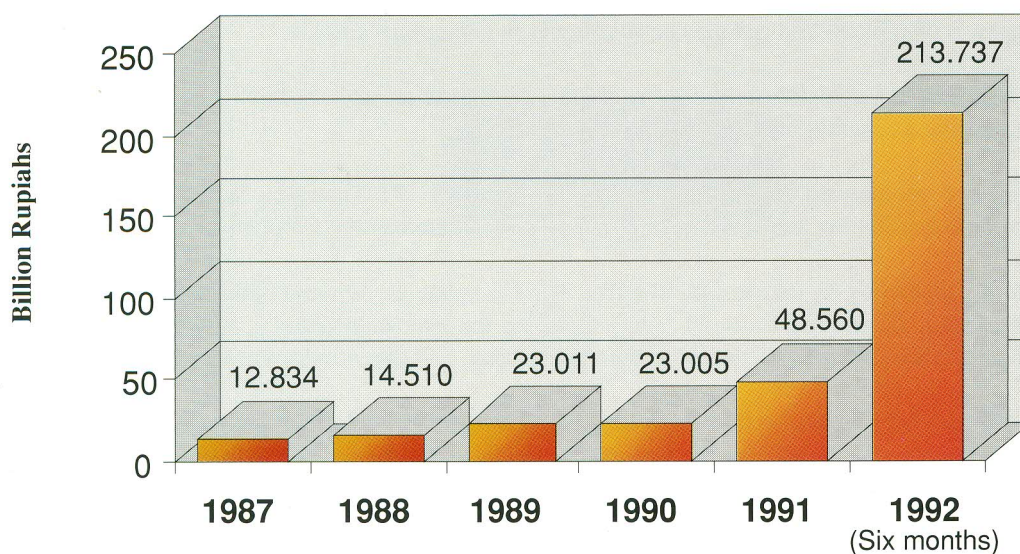
The total assets at the end of the financial year 1989 were Rp 45.55 billion. At the end of the financial year 1990 the Company's total assets were Rp 46.15 billion, or an increase of 1.3% from the financial year 1989. At the end of financial year 1991 the total assets were Rp 124.47 billion or an increase of 169.71% compared to the financial year 1990.

The increase was mainly due to the merger conducted by the Company by way of purchasing Assets, Liabilities, and business of PT Mulyorejo Industrial Company in December 1991. The total assets as of 30 June 1992 reached Rp 223.11 billion or an increase of 79.25% compared to the end of the previous year, the increase was due to the acquisition of some companies, the purchase of new machinery for the refinery and trade marks by the Company.

For the last few years, the Company has showed good performance.

Below is the chart showing the net sales of the Company:

THE GRAPHICS OF THE COMPANY'S NET SALES

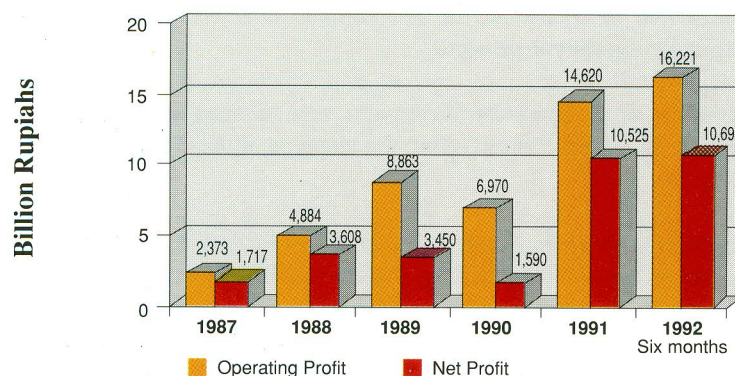


In the first 6 months of the year 1992, the sale raised to 340% compared to the year 1991, due to the increase of the plantation products and the sale of cooking oil, margarine, and shortening from the factories acquired by the Company at the end of the year of 1991. The Company's sales have increased by 111% in 1991 compared to 1990 due to the increase of the products of the plantations and the sales of Rp9.020 billion made by the factories which have been acquired by the Company.

The Company did not perform extraordinary transactions during the year 1991 except for the above mentioned acquisition.

Until 1990, the activities of the Company were confined only to oil palm and tea plantations. In 1991, the Company purchased cooking oil, margarine, and shortening refinery in Surabaya. The performance after restructuring is illustrated in the profit and loss graphic for the year of 1992 as follows:

THE GRAPHIC OF THE COMPANY'S OPERATING PROFIT AND NET PROFIT



The total operating profit for the financial year 1990 was Rp 6.97 billion while the operating profit for the fiscal year 1991 was Rp 14.62 billion or an increase of 109,76% from the previous year, which was in line with the increase of sales for the said fiscal year. For the period until 30 June 1992, the operating profit reached Rp 16.62 billion.

The ratio of net profit to the total sales in June 1992 was 5.0%. This ratio went down compared to 1991 which was 21.7% and also to the previous years, for the largest part of the Company's revenues in 1992 derived from the sales of unbranded cooking oil which generated a gross profit of only 3.6% while the balance from the branded products and plantation products provided a gross profit of 40%, consequently, the net profit also went down in line with the composition of such sales.

The Impact of the Change of Sale Price

The sale price of unbranded oil fluctuates according to the price of CPO and RBDOL in the international market. Therefore, if the sale price of unbranded cooking oil decreases, then the profit of the Company will also decrease because the profit margin becomes smaller.

The Company, therefore, always keeps the levels of stocks of the raw material and the unbranded cooking oil at the minimum level. If necessary the Company can immediately dispose of the excess stocks.

The branded products are not affected by the fluctuations of the sale price of the unbranded products, and even for the long run, the decrease of the price of CPO raw material will generate a higher profit for branded products.

Liquidity

Liquidity in 1992 as provided in Chapter X is 82.3% and in 1991 was 55.8%. To improve its liquidity, the Company has taken some efforts, among others, by increasing its working capital by way of a public offer through the Capital Market, improving the efficiency of its operation and shortening the collection period of receivables.

The impact of the change of the conversion rate of foreign currencies.

According to the Company's consolidated financial statements as of 30 June 1992, the outstanding of the foreign currency denominated bank loans was about Rp 41.7 billion or equivalent to US\$ 20.5 million at the interest rate of 6.25% 9.50% per annum. The risks with respect to the changes of conversion rate in foreign currency may occur.

However, since the prices of the products of oil palm, tea, bananas and tuna always follow the world commodity market price in United States Dollar, the changes of the conversion rate will not do serious harm to the Company.

The Company's products such as tea, tuna, and Oleo-Chemical are export-oriented, whereas oil palm plantation products can be exported any time due to the availability of world commodity markets.

Therefore, risks arising out of the change of the conversion rate of the foreign currency are considered minimal.

THE PRODUCTION CAPACITY

The installed refining capacity of the Company in 1991 was 188,000 tons/year and production capacity in 1993 is expected to reach 480,000 tons. The operational production capacity is in line with the installed capacity, and the development of which is described as follows:

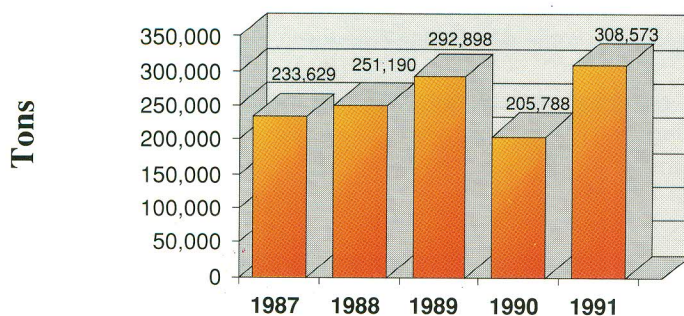
PRODUCTION CAPACITY OF THE COMPANY

(ton per month)

Activity	Location	Actual		Plan	
		December 1991 Capacity	June 1992 Capacity	December 1992 Capacity	June 1993 Capacity
The process of FFb intoCPO	North Sumatera	25,000	30,000	30,000	30,000
	North Sumatera	15,000	30,000	30,000	30,000
Refinery	Surabaya	15,000	15,000	15,000	23,750
	Jakarta	0	0	5,000	10,000
	Jakarta	0	0	2,500	6,250
Margarine Plant	Surabaya	3,000	3,000	3,000	3,000
	Surabaya	650	650	650	650
	Jakarta	0	0	2,000	2,000
	Jakarta	0	0	1,250	1,250
PKO extraction plant	Riau	0	0	2,500	2,500
Tea Factory	West Java	183	208	208	250
	West Java	50	83	83	125
Tuna Canning	North Sulawesi	0	0	12,000	12,000

The development of the refining could not be provided until 1991 because the Company had newly acquired the refinery in 1991. However, in order to describe the development of the sales of refining palm oil products, the following are data of the development of the sales before the acquisition.

SALES GRAPHIC OF PT MULYOREJO INDUSTRIAL COMPANY (BEFORE ACQUISITION)



SALES DATA OF PT MULYOREJO INDUSTRIAL COMPANY (Before Acquisition)

	1987	1988	1989	1990	1991
IN TONS					
Unbranded oil	207,165	217,804	262,928	168,858	245,104
Oil sold in bottle & can	10,943	9,513	8,522	13,289	41,401
Margarine and shortening	15,521	23,873	21,448	23,641	22,068
Total	233,629	251,190	292,898	205,788	308,573
In Million Rp					
Unbranded oil	117,866	167,380	196,889	103,818	172,504
Oil sold in bottle & can	8,537	9,656	8,976	11,054	33,964
Margarine andshortening	10,300	18,702	18,003	19,439	18,478
Total	136,703	195,738	223,868	134,311	224,946

Note: - Sales data do not include the products which have been stopped because they have been sold to other parties.

THE SUPPLY OF RAW MATERIALS

In order to increase the sale of cooking oil, margarine and shortening, the Company must develop the supply of raw material to secure its continuity.

At present, the total production of crude palm oil from the Company's plantation and its new subsidiaries fulfil about 30% of the Company's refinery requirement. The shortfall is procured from the purchase through a long term contract, bid, and direct purchase from other oil palm plantations.

The Company regularly conducts planting in order to expand its oil palm plantation, and an increase of about 10,000 ha area of plantation is cultivated per year by the Company itself, its subsidiaries or affiliated companies.

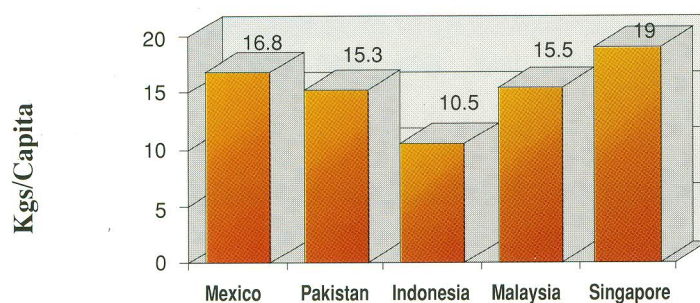
Up to this moment, the Company has never experienced any difficulties in obtaining raw materials, because there is a prudent procurement policy for the supply of raw materials. In case of emergency, the Company can import raw materials.

BUSINESS PROSPECT

Domestic Market.

As the main producer of cooking oil, margarine and shortening the Company is fully aware that the prospect in this line of business is promising, because of the low consumption of cooking oil and shortening in Indonesia compared to some developing countries.

THE GRAPHIC OF SHORTENING CONSUMPTION IN DEVELOPING COUNTRIES



Sources: Oil World Annual 1991 Advance Issue

Stable growth of Indonesia's GNP spurs the purchasing capability of the society. With the increase of the purchasing capability, it is expected that the consumption of branded-goods with good quality will also increase. Such case will in turn trigger rapid growth of branded cooking oil.

Export Market

With competitive production costs, the sale of CPO to the world market will not encounter any difficulty. The world's increased demand for CPO has raised export. As a result, the use of CPO, as a more environmentally acceptable ingredient for industrial goods, has forced big companies in the world to use it or its by-products more widely. Naturally with CPO being much used in industries, the export prospect is very promising.

The Company also has no difficulties in tea marketing. Due to the fact that Indonesian tea has been widely accepted and known to the world

The market demand for bananas is also fairly high. Thanks to a stable market and the support from the business partner a favourable exports are therefore guaranteed. Viewed from competitive production costs, the business prospect in banana industry is also promising.

The Company has also improved the efficiency of its productivity by way of an investment in more sophisticated equipment in the existing refinery in order to strengthen competitive abilities. For the purpose of lowering production cost, supporting integrated industries such as the equipment for the manufacture of cooking oil containers have been expanded as well.

Supported by a good market and efficient and productive production, the business prospect of the Company both in Indonesia and abroad is very promising.

VI. BUSINESS RISK

Like any other business activities, the line of business engaged by the Company also involves risks which are affected by either internal or external factors. The risks are among others:

1. Raw Material

At present, the principal products are cooking oil and margarine. The raw material used by the Company in producing cooking oil and margarine is derived from oil palm which has been processed into crude palm oil. The shortage of the raw material supply will decline production level. In order to overcome the risk of raw material shortage, the Company keeps on developing and expanding its oil palm plantation for maintaining the continuity of raw material supply.

2. Competition

Business competition is not a serious problem for the plantation division of the Company since most of the commodity is consumed by the Company and the Company has concluded a long-term sale contract. To the refining division, however, business competition has some effects on the Company's cooking oil product and margarine.

Nowadays, cooking oil especially unbranded cooking oil, is not only manufactured by big, medium and small companies but also by home industries. This creates fierce competition and spurs the manufacturers of cooking oil and margarine to scramble for market shares using a variety of different strategies, among others those related to price and quality. Such competition may bring about the market share decline which eventually will lower the Company's sales level. To maintain market share, the Company improves the production efficiency and does a tight quality control, and develop high-quality branded cooking oil.

3. Government Policy

Generally, cooking oil can be categorized as one of the staple goods, therefore, there might be a government policy to set a sale price, particularly for unbranded cooking oil. Such a policy might deprive the Company of maximum profit for cooking oil which also constitutes a contributor to the Company's profit. With deregulation, the government's involvement in setting price is expected to be minimized in the future. To overcome the above mentioned matters the Company gives priority to the development of branded products.

4. Factors of Plant Disease

In the plantation sector, insects and animals could pose a serious threat to the crops. Any harms done by them may decrease the production level.

The Company expected regularly carries out tight control, so that the possibility of having plant disease can be avoided, or the disease can be eliminated before it spreads widely.

Predators are normally used for pest control and only when it is considered necessary, the Company will apply chemicals.

5. Regulation From Other Countries

In this globalisation era, export barriers may occur due to changes in regulations in the importing country, but should that happen, the Company will be able to overcome it by diverting the marketing to some other countries. With the increase of demand for CPO, RBDOL, and RBDST, the change in regulations in other countries will not affect the Company's products.

VII. SIGNIFICANT EVENTS AFTER THE DATE OF ACCOUNTANT'S REPORTS

No significant events have affected the operations of the Company after the date of the accountant's report.

VIII. COMPANY PROFILE

1. BRIEF HISTORY OF THE COMPANY

The Company began its business in plantation in 1962 under the name PT Maskapai Perkebunan Sumcama Padang Halaban. In 1970, as all shares of the Company were returned to the foreign party, the status of the Company was converted to PMA (Foreign Capital Investment) pursuant to the Decree of the State Minister for Economy Finance And Industry No.: KEP/41/MEKUIIN/7/1970 dated 15 July 1970. Further in 1985, after all shares were taken over by the local shareholders, the status of the Company was converted to PMDN (Domestic Capital Investment), pursuant to the letter from the Capital Investment Coordinating Board (BKPM) No.06/V/1985 dated 28 March 1985. The Company, then, in 1991, changed its name to PT Sinar Mas Agro Resources And Technology Corporation or abbreviated PT SMART Corporation.

How the Company came into existence is briefly described as follows:

The period before 1989

The Company then bore the name PT Maskapai Perkebunan Sumcama Padang Halaban and was only dealing with oil palm plantation. The oil palm plantation which began in 1962 covered an area of 6,911 ha in North Sumatera and at present it has expanded to cover an area of 8,199 ha.

In 1989

In 1989, the Company expanded its oil palm plantations by acquiring 100% shares of PT Maskapai Perkebunan Leidong West Indonesia which had an oil palm plantation covering an area of 1,870 ha in North Sumatera and 100% shares of PT Perusahaan Perkebunan Panigoran which had an oil palm plantation covering an area of 1,666 ha adjacent to the plantation owned by PT Maskapai Perkebunan Sumcama Padang Halaban.

Apart from it, the Company also diversified its business by acquiring 100% shares of PT Maskapai Perkebunan Indorub Sumber Wadung, which had a tea plantation of 1,052 ha on a plot of land with the right of exploitation (HGU) covering an area of 2,146 ha in West Java.

After the acquisition in 1989, the activity of the Company, can therefore be seen in the following table:

No.	Name of Company	Business	Status	Year of acquisition
1.	PT Maskapai Perkebunan Sumcama Padang Halaban	Oil palm plantation	Self-owned	Self-owned
2.	PT Maskapai Perkebunan Indorub Sumber Wadung	Tea plantation	100% Acquisition	1989
3.	PT Maskapai Perkebunan Leidong West Indonesia	Oil palm plantation	100% Acquisition	1989
4.	PT Perusahaan Perkebunan Panigoran	Oil palm plantation	100% Acquisition	1989

The three companies acquired by the Company were belonged to Sinar Mas Group.

The acquisition is briefly described as follows:

a. PT Maskapai Perkebunan Indorub Sumber Wadung (Indorub).

In the frame work of its business diversification, in 1989 the Company purchased 100% of the shares of Indorub which had a tea plantation in West Java.

The Indorub shares purchased had belonged to PT Sadang Mas, the then sole shareholder. The shares with a nominal value of Rp 378,008,887.00 (three hundred seventy eight million eight thousand eight hundred and eighty seven rupiahs) were purchased for Rp 9,879,427,000.00 (nine billion eight hundred seventy nine million four hundred twenty seven thousand rupiahs).

The appraised value of the fixed asset and plantation of Indorub conducted prior to the purchase by PT Sierlando International Appraisal (an independent appraiser) was Rp 11,100,000,000.00 (eleven billion one hundred million rupiahs).

b. PT Maskapai Perkebunan Leidong West Indonesia (Leidong West)

Still in its effort to expand its oil palm plantation, the Company purchased 100% of Leidong West shares, a company which had an oil palm plantation in North Sumatera (the shares of Leidong West purchased also belonged to PT Sadang Mas).

The shares with a nominal value of Rp 567,007,105.00 (five hundred sixty seven million seven thousand one hundred and five rupiahs) were purchased for Rp 5,136,539,000.00 (five billion one hundred thirty six million five hundred thirty nine thousand rupiahs).

After the purchase of Leidong West, goodwill of ± Rp 3,500,000,000.00 (three billion five hundred million rupiahs) appeared in the financial statements of the Company, which represented the difference between the acquisition cost and equity plus the difference between the appraised value and the book value of fixed assets on the date of acquisition.

This goodwill is amortized on a straight-line basis over a 40 year period.

The appraised value of the fixed assets and plantation of Leidong West carried out by PT Sierlando International Appraisal was Rp 5,900,000,000.00 (five billion nine hundred million rupiahs) with a subtraction of loan totalling Rp 3,300,000,000.00 (three billion three hundred million rupiahs), Leidong West's net asset remained Rp 2,600,000,000.00 (two billion six hundred million rupiahs).

c. PT Perusahaan Perkebunan Panigoran (Panigoran)

Still in the context of expanding oil palm plantation, the Company purchased 100% of Panigoran's shares in 1989, a company having an oil palm plantation in North Sumatera covering an area of 1.666 ha. Panigoran shares purchased belonged to PT Sadang Mas, which was also the Company's shareholder at that time.

The shares with a nominal value of Rp 378,005,460.00 (three hundred seventy eight million five thousand four hundred and sixty rupiahs) were purchased for Rp 7,484,034,000.00 (seven billion four hundred and eighty four million thirty four thousand rupiahs).

The appraised value of the fixed assets and plantation owned by PT Perusahaan Perkebunan Panigoran carried out by the PT Sierlando International Appraisal prior to the transaction was Rp 8,400,000,000.00 (eight billion four hundred million rupiahs).

The year of 1991

In the context of expanding the plantation of Padang Halaban owned by the Company, the Company purchased an oil palm plantation adjacent to Padang Halaban Plantation covering an area of 1.288 ha and as a result, the plantation expanded from 6.911 ha to 8.199 ha. This plantation was purchased for Rp 2,000,000,000.00 (two billion rupiahs). The value of the plantation was Rp 1,997,646,000.00 (one billion nine hundred ninety seven million six hundred forty six thousand rupiahs), as appraised before transaction by PT Sarana Mandiri Indonesia, an independent appraiser.

By the end of 1991, the Company entered into a merge or consolidation arrangement with PT Mulyorejo Industrial Company, a company owned by PT Supra Veritas.

In addition, in 1991, the Company acquired 100% of Nirmala Agung shares, a company which had a tea plantation of 450 ha on a plot of land with the rights of exploitation (HGU) covering an area of 971 ha in Bogor, West Java and participated in the equity of two other companies i.e 19% in PT Global Agronusa Indonesia, a company to develop a banana plantation of 2.000 ha in North Maluku and 50% in PT Grahama Indojoya, a transport company in North Sumatera.

Then, on November 22, 1991, the paid up capital of PT Grahama Indojoya was increased due to PT Tapan Nadenggan's participation in the equity of such company. The payment of additional paid-up capital by PT Tapan Nadenggan resulted in the dilution of shareholding percentage of the Company in PT Grahama Indojoya from 50% to 25%.

The business activity of the Company after merger, acquisition and investment in shares in 1991 can be tabled as follows:

No.	Name of Company	Business Activity	Status	Years of Purchase/Acquisition
1	PT SMART Corporation *	Oil Palm Plantation	Self Owned	Self Owned
2	PT Maskapai Perkebunan Indorub Sumber Wadung	Tea Plantation	100% Acquisition	1989
3	PT Maskapai Perkebunan Leidong West Indonesia	Oil Palm Plantation	100% Acquisition	1989
4	PT Perusahaan Perkebunan Panigoran	Oil Palm Plantation	100% Acquisition	1989
5	PT Nirmala Agung	Tea Plantation	100% Acquisition	1991
6	PT Grahama Indojoya	Transportation	25% equity Participation	1991
7	PT SMART Surabaya (Ex PT Mulyorejo I.C.)	Factory for Cooking Oil, Margarine, and Shortening	Merger	1991
8	PT Global Agronusa Indonesia	Banana Plantation	19% equity participation	1991

* The name of PT Maskapai Perkebunan Sumcama Padang Halaban has been changed to PT SMART Corporation.

Matters related to acquisition and investment in shares carried out in 1991 are briefly described as follows:

a. PT Nirmala Agung

PT Nirmala Agung having a tea plantation in West Java, was purchased by the Company from

several independent individuals in order to expand the tea plantation which the Company had owned before.

After the appraisal of fixed assets and plantation of PT Nirmala Agung of Rp 5,800,000,000.00 (five billion eight hundred million rupiahs) was carried out by PT Shantika Valuindo Lestari (an independent appraiser), 100% of PT Nirmala Agung shares with a nominal value of Rp 1,700,000,000.00 (one billion seven hundred million rupiahs) were purchased for Rp 2,200,000,000.00 (two billion two hundred million rupiahs) which amount inclusive of the taking over of the shareholders loan of Rp 500,000,000.00 (five hundred million rupiahs).

b. PT Grahamas Indojoya (Grahamas)

Equity participation in Grahamas, a company having interest in the service of shipping of palm nuts, crude palm oil and palm kernel, was carried out in order to ensure smooth transportation of the Company's own plantation products.

The Company initially purchased 50% of Grahamas shares owned by PT Sinar Mas Tunggal at its nominal value of Rp 62,500,000.00 (sixty two million five hundred thousand rupiahs). Then, in 1991, the the Company's shareholding percentage in Grahamas diluted to 25% due to the increase of paid up capital by PT Tapan Nadenggan thereafter controlled 25% ownership.

On 31 December 1991, the financial statements of PT Grahamas still showed an accumulated loss of about Rp 207,442,208.00 (two hundred seven million four hundred and forty two thousand two hundred and eight rupiahs), 25% of which or about Rp 51,860,552.00 (fifty one million eight hundred and sixty thousand five hundred and fifty two rupiahs), was borne by the company.

c. PT Mulyorejo Industrial Company (Mulyorejo)

In order to achieve business integration, the Company entered into a merger arrangement with Mulyorejo which had a refinery for cooking oil, margarine and shortening.

All assets, liabilities and business belonging to Mulyorejo were purchased at a cost of Rp 8,500,000,000.00 (eight billion five hundred million rupiahs). Such purchase price was based on its net assets per 28 December 1991, which represent the difference between the fixed assets combined with the business of the Company valued at Rp 32,000,000,000.00 (thirty two billion Rupiahs) as appraised by PT Shantika Valuindo Lestari and loans plus liabilities taken over by the Company at Rp 23,500,000,000.00 (twenty three billion five hundred million rupiahs).

PT Mulyorejo Industrial Company was then declared dormant as of 28 December 1991, pursuant to the resolutions of the Extraordinary General Meeting of Shareholders held on 25 March 1992, which was set forth in Deed No. 240 dated 28 March 1992, drawn up by Benny Kristianto, S.H., Notary in Jakarta.

d. PT Global Agronusa Indonesia (Global)

In addition to the tea plantation, the Company also diversified its plantation business by purchasing 19% of Global shares, as the latter intended to expand its banana plantation covering an area of

2,000 ha in North Maluku. The remaining 81% of Global shares are owned by PT Sinar Mas.

The shares of PT Global Agronusa Indonesia were purchased at a nominal value of Rp 380,000,000.00 (three hundred eighty million rupiahs).

Upto September 1992, Global has a banana plantation covering an area of 1,000 ha under cultivation and has purchased another 1,545 ha plantation area.

The year of 1992

Prior to the public offer, in 1992, still in the framework of expanding its oil palm plantation, the Company invested in 49% in the equity of PT Inti Gerakmaju and PT Tapian Nadenggan, respectively.

The Company has also purchased the assets, liabilities and business of PT Kunci Mas Wijaya, which owned land, building, tanks and Bulking stations. Due to the fact that the factory was strategically located adjacent to the refinery owned by the Company, the purchase was therefore considered worthwhile for the sake of the Company's business expansion.

The Company then invested 50% in the equity of PT Sinar Pure Foods International, a tuna canning company and in PT Sinar Meadow International Indonesia, a company engaged in making of cooking oil, margarine and shortening in Jakarta, respectively.

a. PT Inti Gerakmaju

The Company keeps on expanding its oil palm plantations to maintain constant supply of raw materials for its cooking oil refinery.

In early 1992, the Company purchased 49% of shares in PT Inti Gerakmaju, a Company having its oil palm, coconut, and rubber plantations in South Kalimantan.

The shares owned by PT Supra Veritas were purchased at a nominal value of Rp 612,500,000.00 (six hundred twelve million and five hundred thousand Rupiahs). The remaining 51% of shares of shares in PT Inti Gerakmaju were owned by independent individuals. Up to June 1992, the shares owned by the Company in this Company have been increased to Rp 906,500,000.00 (nine hundred six million five hundred thousand rupiahs).

b. Tapian Nadenggan

For the same purpose, the Company also purchased 49% shares in PT Tapian Nadenggan, a company having an oil palm plantation in North Sumatra.

The shares with a nominal value of Rp 7,350,000,000.00 (seven billion three hundred fifty million rupiahs) owned by PT Sinas Mas Tunggal were purchased for Rp 17,150,000,000.00 (seventeen billion one hundred fifty million Rupiahs), while a "goodwill" of Rp 15,671,207,273.00 (fifteen billion six hundred seventy one million two hundred seven thousand two hundred and seventy three rupiahs) appeared in the financial statement of the Company, which representing the difference between the cost of the Company's investment and its proportionate share in the underlying net assets of the Company at the date of acquisition. Such difference was amortized as goodwill over a 40 year period.

Total net asset value of PT Tapan Nadenggan upon the purchase date was Rp 46,619,000,000.00 (forty six billion six hundred nineteen million rupiahs) representing the appraised value of fixed asset and plantation of value Rp 93,383,000,000.00 (ninety three billion three hundred and eighty three million rupiahs) plus other assets of Rp 7,905,000,000.00 (seven billion nine hundred five million rupiahs) minus loans of Rp 59,669,000,000.00 (fifty nine billion six hundred and sixty nine million rupiahs) which were taken over by the Company. The appraisal on fixed assets and plantation was made by PT Satyatama Graha Tara (an independent appraiser).

c. PT Kunci Mas Wijaya (Kunci Mas)

For the sake of expanding its cooking-oil refinery, the Company purchased assets, liabilities and business of Kunci Mas, a company owned by PT Supra Veritas.

The purchase price was Rp 2,695,294,090.00 (two billion six hundred ninety five million two hundred ninety four thousand ninety rupiahs), comprising fixed assets and business valued at Rp 4,000,000,000.00 (four billion rupiahs) minus bank borrowings of Rp 1,304,705,910.00 (one billion three hundred four million seven hundred five thousand nine hundred and ten rupiahs). Appraisal report on such fixed assets was made by PT Shantika Valuindo Lestari.

d. PT Sinar Meadow International Indonesia (Sinar Meadow).

To strengthen its foothold in cooking-oil and margarine industries, the Company purchased 50% of shares in Sinar Meadow, a company owned by PT Sinar Mas Tunggal. The remaining 50% were owned by a foreign partner, Goodman Fielder Wattie, the biggest food company in Australia.

The shares with a nominal value of Rp 3,231,000,000.00 (three billion two hundred thirty one million rupiahs) were purchased for Rp 12,000,000,000.00 (twelve billion rupiahs) which amount inclusive of the taking over of the shareholder's loan of Rp 1,008,500,000.00 (one billion eight million five hundred thousand rupiahs), of which Rp 7,239,398,609.00 (seven billion two hundred thirty nine million three hundred ninety eight thousand six hundred and nine rupiahs) representing a difference between the proportionate net amount of the acquisition cost and the proportionate net asset value of such company upon the date of acquisition. This difference is amortized over a 40 year period. The net asset value of Sinar Meadow on the date of purchase represented the fixed asset value of Rp 14,800,000,000.00 (fourteen billion eight hundred million rupiahs) minus liabilities and loan of Rp 3,670,000,000.00 (three billion six hundred and seventy million Rupiahs).

The appraisal of fixed assets and plantation was made by PT Asian Appraisal Indonesia (an independent appraiser).

e. PT Sinar Pure Foods International (SPFI)

In the context of business diversification, the Company purchased 50% of shares in SPFI, a tuna-canning company.

Paid-up shares with a nominal value of Rp 479,000,000.00 (four hundred and seventy nine million rupiahs) owned by PT Sinardaya Marina were purchased by the Company for Rp 3,300,000,000.00 (three billion three hundred million rupiahs), which amount inclusive of the shareholders' loan of Rp 2,784,925,000.00 (two billion seven hundred eighty four million nine hundred twenty five thousand thousand rupiahs). The difference of Rp 36,075,000.00 (thirty six million seventy five thousand Rupiahs) was recorded as goodwill to be amortized for a 40 year period.

As a conclusion, the activities of the Company's business in 1992 prior to the public offer can be tabled as follows:

No.	Name of the Company	Line of Business	Status	Year of Purchase/Acquisition
1	PT SMART Corporation *	Oil Palm Plantation	Self Owned	Self Owned
2	PT Maskapai Perkebunan Indorub Sumber Wadung	Tea Plantation	100% Acquisition	1989
3	PT Maskapai Perkebunan Leidong West Indonesia	Oil Palm Plantation	100% Acquisition	1989
4	PT Perusahaan Perkebunan Panigoran	Oil Palm Plantation	100% Acquisition	1989
5	PT Nirmala Agung	Tea Plantation	100% Acquisition	1991
6	PT Grahama Indojaya	Transportation	Share Participation of 25% **	1991
7	PT SMART Surabaya (Ex PT Mulyorejo I.C)	Cooking-Oil, Margarine and Vegetable Oil processing Plant	Merger	1991
8	PT Global Agronusa Indonesia	Banana Plantation	Share Participation of 19%	1991
9	PT Inti Gerakmaju	Oil Palm Plantation Coconut Plantation Rubber Plantation	Share Participation of 49%	1992
10	PT Tapan Nadenggan	Oil Palm Plantation	Share Participation of 49%	1992
11	PT SMART Surabaya (Ex PT Kunci Mas Wijaya)	Cooking Oil Filling Plant	Merger	1992
12	PT Sinar Meadow International Indonesia	Cooking-Oil Margarine and Shortening Processing Plant	Share Participation of 50%	1992
13	PT Sinar Pure Foods International	Tuna Canning Plant	Share Participation of 50%	1992

Note : * The name of PT Maskapai Perkebunan Sumcama Padang Halaban has been changed to PT SMART Corporation

** P.T. Tapan Nadenggan owns 25% shares of P.T. Grahama Indojaya

2. CHRONOLOGY OF SHAREHOLDERS COMPOSITION

There have occurred the changes in capital composition and shareholding of the Company in line with the development and expansion of the Company's activities, such changes can be summarized as follows:

The year 1962.

The Company was established under the name PT Maskapai Perkebunan Sumcama Padang Halaban, by virtue of Deed No. 67 dated 18 June 1962, executed before Raden Hadiwido, substitute for Raden Kadiman, Notary in Jakarta, and has been approved by the Minister of Justice of the Republic of Indonesia in the Decision Letter No. J.A.5/115/3 dated 29 August 1963, published in State Gazette of the Republic Indonesia No. 83 dated 15 October 1963, Supplement No. 570. The Company's Authorized Capital was Rp 17,647,000.00 (seventeen million six hundred and forty seven thousand rupiahs) with a nominal value of Rp 1,000.00 (one thousand rupiahs) per share which have been issued and fully paid-up as follows:

No	Shareholder	Share	%	Issued Capital	Paid Up Capital
				Nominal Value (Rp)	Nominal Value (Rp)
1.	Sumatra Caoutchouc Maatschapij	17,645	99.98	17,645,000.00	17,645,000.00
2.	Raden Soewarso Tirtowiojo	1	0.01	1,000.00	1,000.00
3.	Raden Hidajat Soerijanatamihardja	1	0.01	1,000.00	1,000.00
Total		17,647	100.00	17,647,000.00	17,647,000.00

The year 1973.

Pursuant to Deed No. 88 dated 22 April 1971, Juncto Deed No. 183 dated 21 March 1973, executed before Raden Soeratman, Notary in Jakarta and has been approved by the Minister of Justice of the Republic of Indonesia in the Decision Letter No. J.A.5/135/21 dated 23 May 1973, set forth in the State Gazette of the Republic of Indonesia No. 66 dated 16 August 1973, Supplement No. 583, the Company has changed its nominal value of its shares. The Company's Authorized and Issued capital has been increased from Rp 17,647,000.00 (seventeen million six hundred forty seven thousand rupiahs) to Rp 1,814,417,647.00 (one billion eight hundred fourteen million four hundred seventeen thousand six hundred and forty seven rupiahs) and fully paid as follows:

No.	Shareholder	Share	%	Issued Capital	Paid Up Capital
				(Rp)	(Rp)
1.	Plantagen A.G.	18,144	99.99	1,814,400,000.00 with a nominal value of Rp 100,000.00 per share	1,814,400,000.00
2.	Plantagen A.G.	1	0.01	17,647.00 with a nominal value of Rp 17,647.00 per share	17,647.00
Total		18,145	100.00	1,814,417,647.00	1,814,417,647.00

The year 1985.

Pursuant to Deed No. 413 dated 26 January 1985, executed before Ridwan Suselo, Notary in Jakarta, all shares owned by Plantagen A.G. have been purchased by PT Sadang Mas. Then pursuant to Deed No. 111 dated 11 July 1985, executed before Benny Kristianto, S.H., Notary in Jakarta, and has been approved by the Minister of Justice of the Republic of Indonesia by the Decision Letter No. C2-6361.HT.01.04.Th.91 dated 5 November 1991, published in the State Gazette of the Republic of Indonesia No. 38 dated 12 May 1992, Supplement No. 2136, the nominal value of the Company's share has been changed to Rp 1,814,417,647.00 (one billion eight hundred fourteen million four hundred seventeen thousand six hundred and forty seven rupiahs).

No.	Shareholder	Share	%	Issued Capital Nominal Value (Rp)	Paid Up Capital Nominal Value (Rp)
1.	PT Sadang Mas	1	100.00	1,814,417,647.00	1,814,417,647.00
Total		1	100.00	1,814,417,647.00	1,814,417,647.00

The year 1991

Pursuant to Deed No. 209 dated 10 September 1991, executed before Benny Kristianto, S.H., Notary in Jakarta, and has been approved by the Minister of Justice of the Republic of Indonesia in the Decision Letter No. C2-6361.HT.01.04.TH.91 dated 5 November 1991, published in State Gazette of the Republic of Indonesia No. 38 dated 12 May 1992, Supplement No. 2136, the Articles of Association of the Company were amended as follows:

- The name of the Company was changed from PT Maskapai Perkebunan Sumcama Padang Halaban to PT Sinar Mas Agro Resources And Technology Corporation abbreviated PT SMART Corporation.
- The Company's authorized capital was increased to Rp 200,000,000,000.00 (two hundred billion rupiahs). The issued capital was increased to Rp 100,000,000,000.00 (one hundred billion rupiahs). The nominal value per share was changed to Rp 1,000,000.00 (one million rupiahs). Paid up capital was increased to Rp 14,160,000,000.00 (fourteen billion one hundred and sixty million rupiahs), with the participation of PT Supra Veritas as a shareholder as specified as follows:

No	Shareholder	Share	%	Issued Capital Nominal Value (Rp)	Paid Up Capital Nominal Value (Rp)
1.	PT Sadang Mas	52,000	52.00	52,000,000,000.00	7,363,200,000.00
2.	PT Supra Veritas	48,000	48.00	48,000,000,000.00	6,796,800,000.00
Total		100,000	100.00	100,000,000,000.00	14,160,000,000.00

The year 1992

Pursuant to Deed No. 115 dated 15 February 1992, executed before Benny Kristianto, S.H., Notary in Jakarta, the issued capital was increased to Rp 120,000,000,000.00 (one hundred twenty billion rupiahs) as specified as follows:

No.	Shareholder	Share	%	Issued Capital Nominal Value (Rp)	Paid Up Capital Nominal Value (Rp)
1.	PT Sadang Mas	62,400	52.00	62,400,000,000.00	7,363,200,000.00
2.	PT Supra Veritas	57,600	48.00	57,600,000,000.00	6,796,800,000.00
Total		120,000	100.00	120,000,000,000.00	14,160,000,000.00

Then pursuant to Deed Nos. 116, 117 and 119 dated 15 February 1992 and Deed No. 279 dated 22 May 1992, all of the aforementioned deeds were executed before Benny Kristianto, S.H., Notary in Jakarta, the composition of shareholders was altered in connection with the participation of PT Sinar Mas Tunggal and the paid-up capital was increased to Rp 120,000,000,000.00 (one hundred and twenty billion rupiahs) as described as follows:

No.	Shareholder	Share	%	Issued Capital Nominal Value (Rp)	Paid Up Capital Nominal Value (Rp)
1.	PT Sadang Mas	15,000	12.50	15,000,000,000.00	15,000,000,000.00
2.	PT Supra Veritas	39,600	33.00	39,600,000,000.00	39,600,000,000.00
3.	PT Sinar Mas Tunggal	65,400	54.50	65,400,000,000.00	65,400,000,000.00
Total		120,000	100.00	120,000,000,000.00	120,000,000,000.00

In connection with the public offer and pursuant to Deed No. 102, dated 23 June 1992 and Deed No. 45 dated 11 September 1992, both were executed before Imas Fatimah, S.H., Notary in Jakarta, the Company has increased its Authorized Capital from Rp 200,000,000,000 (two hundred billion rupiahs) to Rp 380,000,000,000.00 (three hundred eighty billion rupiahs), and changed the nominal value of each share from Rp 1,000,000.00 (one million rupiahs) to Rp 1,000.00 (one thousand rupiahs). The amendment of the Articles of Association of the Company has been approved by the Minister of Justice of the Republic of Indonesia in his Decision Letter No. C2-8128.HT.01.04.Th.92 dated 29 September 1992, registered with the District Court of North Jakarta on 3 October 1992 under No. 545/Leg/1992 and 546/Leg/1992. Such amendment of shareholdings and the proposed public offer have been approved by the Investment Coordinating Board (BKPM) in letter No. 497/III/PMDN/1992 dated 3 June 1992.

3. MANAGEMENT AND SUPERVISION

The Company is managed by a Board of Directors under the supervision of a Board of Commissioners, the members of which are selected and appointed by the General Meeting of Shareholders. The obligations and the rights of the members of the Board of Commissioners and Board of Directors are provided in the Articles of Association of the Company. The composition of the members of the Board of Commissioners and Board of Directors of the Company are as follows:

The Board of Commissioners

President Commissioner	:	Yoga Soegomo
Vice President Commissioners	:	Eka Tjipta Widjaja Rais Abin Sukmawati Widjaja Indra Widjaja Djafar Widjaja
Commissioners	:	John Pandelaki Samuel Bonsajang

The Board of Directors

President Director	:	Muktar Widjaja
Vice President Directors	:	Franky Oesman Widjaja Teguh Ganda Wijaja Tan Siauw Liang J.W. Sudomo
Directors	:	H.R. Soetadi Daud Dharsono H. Oeminto Juwono Johanes Hardianto

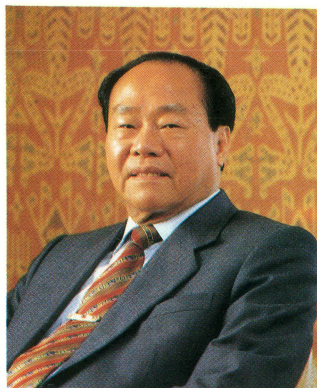
Following are brief data on the respective members of the Board of Commissioners and Board of Directors:

THE BOARD OF COMMISSIONERS



Yoga Soegomo, President Commissioner.

Indonesian citizen, born 12 May 1925. Attending Military Attache Training in Tokyo (1942-1945). Starting his carrier as Assistant I STM Banyumas (1947-1948). Military Attache in Indonesian Embassy in Yugoslavia (1962-1965), Deputy of Indonesian Ambassador for UNO in New York (1971-1974), Head of National Intelligence Agency (BAKIN) in Jakarta (1974-1989). Retired from Army in 1981, with the rank of four-star General. He has been decorated many times by the Governments of Indonesia, Malaysia, South Korea, the Republic of China, Thailand, and Japan. In 1986 he received an Honorary Doctorate of Politics from Chinese Culture University of Taipei. He is also the Chairman of Dharma Bakti Foundation (1989-until now) and President Commissioner of PT Minindo Perkasa Semesta. He joined the Company in 1992 as President Commissioner.



Eka Tjipta Widjaja, Vice president Commissioner.

Indonesian citizen, born 3 October 1923. He received an Honorary Doctorate from Pittsburg State University in Kansas, USA in 1990, President Commissioner of Sinar Mas Group (1960-until now), PT Bank Internasional Indonesia (1983-until now), PT Pabrik Kertas Tjiwi Kimia (1973-until now), PT Indah Kiat Pulp & Paper Corporation (1985-until now) and PT Duta Pertiwi (1988-until now). He joined the Company in 1983 and presently holding the position of Vice President Commissioner.



Rais Abin, Vice President Commissioner.

Indonesian citizen, born 15 August 1926. Military Training: SSKAD Bandung in 1956. Lemhanas in 1973, Lemjemen Hankam in 1974. Commander-in-Chief of United Nations Brigade in the Middle East (1976-1979). Assistant to the Minister of Defense/Commander in Chief of the Indonesian Armed Forces (1980-1981). Indonesian Ambassador to Malaysia (1981-1984) and Singapore (1984-1988). President Director of PT Pabrik Kertas Tjiwi Kimia (1988-until now). He joined the Company in 1992 as Vice President Commissioner.



Sukmawati Widjaja, Vice President Commissioner.

Indonesian citizen, born 15 February 1951. She holds the position of Commissioner of PT Bank Internasional Indonesia (1988-until now). Director of PT Indah Kiat Pulp & Paper Corporation (1988-until now). Director of PT Pabrik Kertas Tjiwi Kimia (1988-until now). Vice President Commissioner of the Company since 1988.



Indra Widjaja, Vice President Commissioner.

Indonesian citizen, born 6 September 1952. Graduated from Nan Yang University with a Masters Degree in Industrial and Business Management in Singapore, in 1974. Presently, he holds position of President Director of PT Bank Internasional Indonesia (1983-until now), Commissioner of PT Internas Arta Finance (1982-until now), PT Asuransi Sinar Mas Dipta (1984-until now), and in PT Asuransi Jiwa Eka Life (1984-until now). He joined the Company in 1992 as Vice President Commissioner.



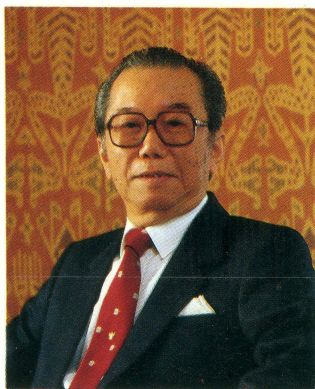
Djafar Widjaja, Vice President Commissioner.

Indonesian citizen, born 2 July 1956. Graduated from University of California, Berkeley, USA, in 1978, with a Masters Degree in Industrial Engineering & Operations Research. At present, he holds position of Vice President Commissioner of PT Indah Kiat Pulp & Paper Corporation (1985-until now), Commissioner of PT Pabrik Kertas Tjiwi Kimia (1984-until now), Director of PT Sinar Mas (1987-until now). He joined the Company in 1992 as Vice President Commissioner.



John Pandelaki, Commissioner.

Indonesian citizen, born 31 October 1922. Graduated from Sekolah Tinggi Ilmu Keuangan Negara in Jakarta in 1963 and Sekolah Staf dan Pimpinan Administrasi in Jakarta in 1970. He had held position of the Head of Procurement Division in the Head Office of Directorate General of Taxation (1963-1967), Head of Finance Department in the Head Office of Directorate General of Taxation (1967-1973). Head of Research, Education and Training Directorate General of Taxation (1973-1979). Director of Sinar Mas group (1979-until now). He joined the Company since 1985, and at present, he holds position of Commissioner.



Samuel Bonsajang, Commissioner.

Indonesian citizen, born 27 February 1925. Graduated from University of Indonesia with a degree in Economics in 1959. Started his carrier as Assistant Lecturer at University of Indonesia (1958-1967). Head of Administration Department of PT Yudha Bakti Corporation (1959). As General Attorney in Yudha Bakti Corporation (1959-1961). General Manager in the office of Koordinator Administrasi Impor Asuransi (1961-1965), as Division Head of Administrasi Perdagangan & Pengurusan Barang at the office of Koordinator Administrasi Impor Asuransi (1965-1967). Division Head of Planning & Research in the office of Koordinator Administrasi Impor Asuransi. Assistant to the Board of Directors at the office of Koordinator Administrasi Impor Asuransi (1967). Head of the Minister office of the Department of Trade (1963-1972). Director of Sinar Mas Group (1976-until now). He joined the Company in 1992 as Commissioner.

THE BOARD OF DIRECTORS



Muktar Widjaja, President Director.

Indonesian citizen, born 7 July 1954. Graduated from Concordia University in Montreal, Canada, in 1976, majoring in Commerce. Commissioners of PT Bank Internasional Indonesia (1983-until now) and PT Indah Kiat Pulp & Paper Corporation (1988-until now), President Director of PT Supra Veritas (1988-until now) and Director of PT Duta Pertiwi (1988-until now). He joined the Company in 1991 as President Director.



Franky Oesman Widjaja, Vice President Director.

Indonesian citizen, born 21 January 1958. Graduated from Aoyama Gakuin University in Japan, in 1979. Presently he holds positions of President Director of PT Sinar Mas Tunggal (1983-until now), Commissioner of PT Bank International Indonesia (1983-until now), PT Pabrik Kertas Tjiwi Kimia and PT Duta Pertiwi (1988-until now), Vice President Director of PT Indah Kiat Pulp & Paper Corporation (1985-until now). He joined the Company in 1988 as Vice President Director.



Teguh Ganda Wijaja, Vice President Director.

Indonesian citizen, born 10 December 1944. Besides being Director of PT Pabrik Kertas Tjiwi Kimia (1976-until now), he is also President Director of PT Indah Kiat Pulp & Paper Corporation (1986-until now). Vice President Commissioner of PT Bank Internasional Indonesia (1987-until now). He joined the Company in 1992 as Vice President Director.



Tan Siau Liang, Vice President Director.

Indonesian citizen, born 20 May 1948. Graduated from Economic Faculty of Parahyangan Catholic University in Bandung majoring in Management (1972) and Accounting (1980) in Bandung. He started his carrier at PT Tigas Nusantara Limited as Finance Controller Assistant (1972-1978). Internal Audit Manager Sidik NV International (1979-1980). Estate Account & Internal Audit Manager of PT Maskapai Perkebunan Sumcoma Padang Halaban (1980-1983). Financial controller of 10 plantations of Sadang Mas group (1984-1986). Senior Vice President of 22 plantations of Sinar Mas Group (1987-1990). Chief Executive Officer of 17 plantations of Sinar Mas I (1991-1992). Presently he holds position of Vice President Director of the Company.



J.W. Sudomo, Vice President Director.

Indonesian citizen, born 3 December 1939. Graduated from the Economic Faculty of University of Indonesia in 1967, started his carrier as Lecturer in University of Indonesia (1959-1969). Supervising Consultant SGV Utomo (1969-1973). Finance Director of PT Squibb Indonesia (1973-1978). President Director of PT Squibb Indonesia (1978-1989). Executive Vice President of PT Sinar Mas Inti Perkasa (1989-1990). Vice President Director of the Company since 1992.



H.R. Soetadi, Director.

Indonesian citizen, born 7 July 1926. Graduated from Educational School in Bandung in 1953. He started his carrier as the Elementary School Teacher in Bandung (1943-1944), Junior High School Teacher in Semarang (1944-1945). Employee of Department of Social Services in Yogyakarta (1946-1948), SMEP Teacher in Bandung (1950-1953). Staff of B.P.M. (SHELL) Plaju in Palembang (1953-1958). Staff at government-owned plantation in Jember (1958-1966), Sukabumi (1966-1968), PT Perkebunan XI in Jakarta (1968-1974). Director of PT Perkebunan X in Lampung (1974-1981). Perkebunan Pusat in Jakarta (1981-1983). President Commissioner of PT Perkebunan XXIX in Surabaya (1985-1991). Director of the Company since 1985.



Daud Dharsono, Director.

Indonesia citizen, born 10 May 1956. Graduated from Economic Faculty of Trisakti University in 1984 in Jakarta majoring in accounting. Registered Public Accountant No. D-5790 in 1987. He was with Price WaterHouse & CO, Melbourne, Australia (1980), Assistant Manager at Accountant Office Hadi Sutanto (1975-1982). Since 1983 until 1985 he held position of Operation Manager of PT Salindo Perdana Leasing Indonesia. From 1985 until 1991 Senior Vice President of Perkebunan Sinar Mas in Jakarta. Lecturer at Sekolah Tinggi Ilmu Ekonomi Perbanas (1987-until now). Director of the Company since 1992.



H. Oeminto, Director.

Indonesian citizen, born 6 May 1935. Started his carrier at Harrisons & Crosfield Limited (PT PP Lonsom), from 1956-1984, starting from Field Assistance (1956-1959), Sub Manager (1960-1962), Estate Manager (1963-1969), District Manager (1970-1978), Inspector (1979-1984). Technical Advisor at PT Sadang Mas in 1985 and promoted to Assistant Vice President in 1988. Vice President Agronomy of PT Sinar Mas Agro Resources and Technology Corporation (1990-1992). Presently the holds position of Director of the Company.



Juwono, Director.

Indonesian citizen, born 17 January 1955. Graduated from Accounting Academy of Jayabaya University 1984. Starting his carrier as Accounting Clerk at PT Indomarine (1975-1976) Accounting Staff at Comex Services (1976-1977). Assistant Bookkeeper at Muara Trading Company N.V. (1977). He was with PT Hoechst Pharma of Indonesia from 1977 to 1986, starting from Assistant Financial Accountant (1977-1981), Cost Accountant (1981-1984), Financial Accountant (1984-1986). National Cost Accountant at PT Sinar Mas Inti perkasa (1986-1989), Accounting Manager of PT Sinar Mas Inti Perkasa (1989-1990), Controller of Sinar Mas refinery (1990-1992). Presently he holds position of Director of the Company.



Johanes Hardianto, Director.

Indonesian citizen, born 2 August 1948. Graduated from Putra Bangsa University, majoring in Management in 1986 in Surabaya, and Accounting, Airlangga University 1982. Started his carrier as Cost & General Accountant in Aseli Knitting Factory (1969-1974). Finance Manager in PT perintis Utama (1974-1978), Cost Accountant in PT Pakerin (Paper Mill Factory) (1978-1979). Accounting Manager of PT Mulyoredjo Industrial Company (1979-1990). General Manager of the Company since 1990, and Director of the Company in 1992.

4. HUMAN RESOURCES

The Company realizes the significant role of the human resources as the business partner in order to achieve each activity and operation successfully.

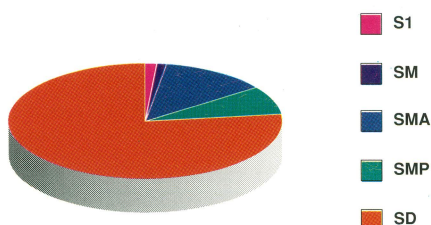
On the basis of this perception, the development of human resources is constantly conducted according to plan, in order to ensure that each employee can be placed at the proper position according to his capability. Presently, the Company still employs 8 (eight) expatriates in the plantations Industry and 2 (two) in the refinery as experts.

The Company has paid salary over the minimum salary level as fixed by the government and besides, the Company has executed General Terms of Employment (SKU) for the plantation in Sumatera, and Collective Labour Agreement (KBU) for other plantations and other business units.

In March 1992 the Company employees 7191 personnel with the following composition:

ACCORDING TO EDUCATIONAL LEVEL

Educational Level	Total	Percentage
Master Degree	112	1.56%
Bachelor Degree and its equivalent	73	1.02%
Senior High School and its equivalent	908	12.63%
Junior High School and its equivalent	568	7.90%
Elementary School	5,530	76.89%
T o t a l	7,191	100.00%

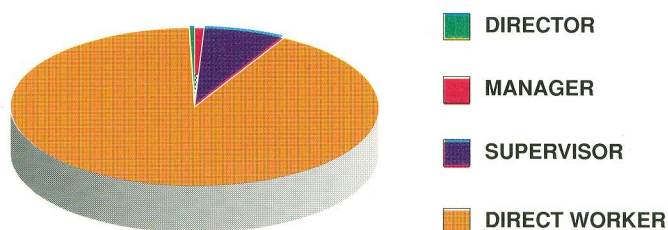


S1 = Master Degree
SM = Bachelor Degree
SMA = Senior High School and its equivalent

SMP = Junior High School and its equivalent
SD = Elementary School

ACCORDING TO MANAGERIAL LEVEL

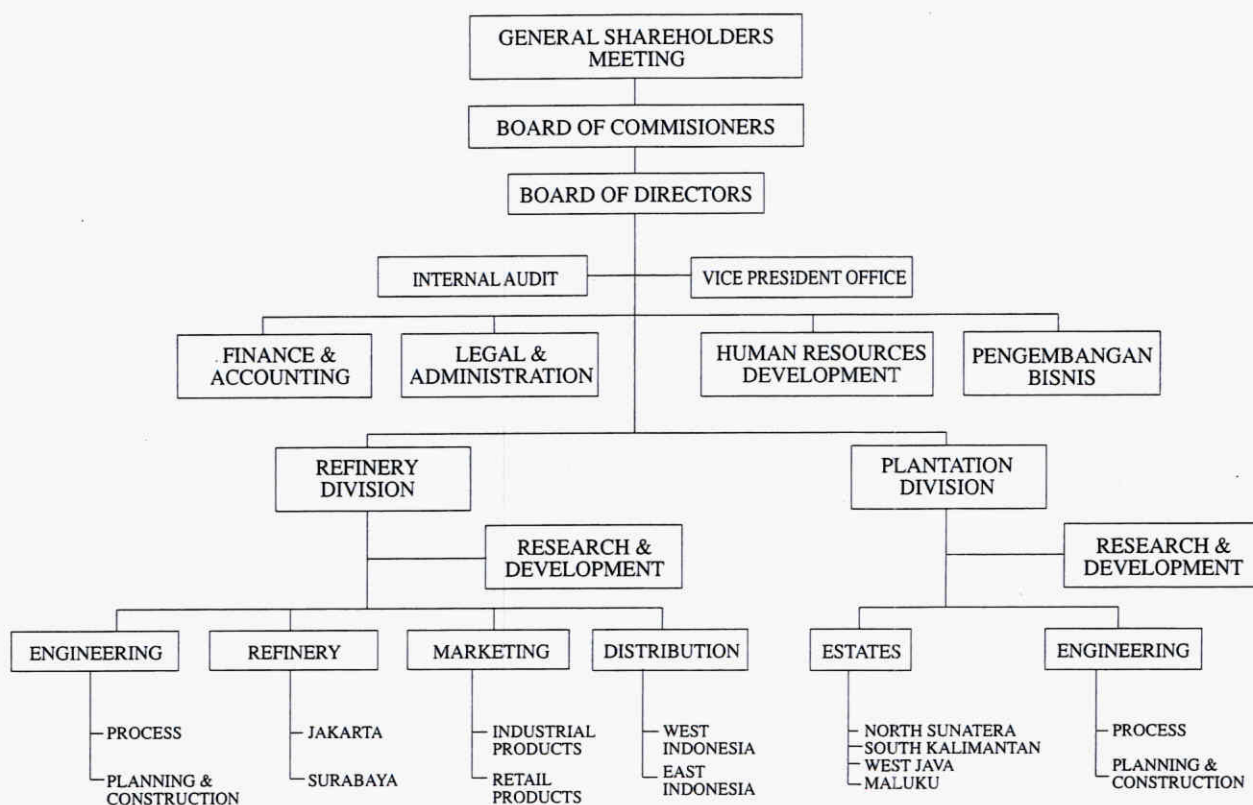
Managerial Level	Total	Percentage
Board of Directors	10	0.14%
Manager	59	0.82%
Supervisor	510	7.09%
Staff	6,612	91.95%
T o t a l	7,191	100.00%



The Company provides regular training and to the welfare facilities the employees such as:

1. Welfare facilities for medical check up and treatment.
2. Religious facility.
3. Employee Cooperative.
4. Hari Raya bonus and Yearly bonus.
5. Workers insurance (ASTEK) and accident insurance.
6. General Terms of Employment/Collective Labour Agreement.
7. With respect to education, the Company also provides educational facilities (Elementary School, Junior High School, Senior High School) for the family members of the employees living in the plantations.
8. For developing employees carrier, the Company sets up training centers for field as well as technical factory and administrative staff with special trainers for each field. Until now the Company has completed 18 batches of field staff, 6 batches of factory staff and ten training classes for the level of staff and supervisors.
9. Retirement allowance for all employees.

5. ORGANIZATION CHARTS



6. SINAR MAS GROUP

Sinar Mas Group constitutes the parent company of PT Sinar Mas Agro Resources And Technology Corporation. This group started its business by establishing a trading Company about 40 years ago and at present Sinar Mas Group has 4 lines of core business, namely:

a. **Pulp and paper**

The pulp and paper division of Sinar Mas group are based around PT Indah Kiat Pulp & Paper Corporation and PT Pabrik Kertas Tjiwi Kimia, both companies which are listed on the Stock Exchange formed integrated pulp and paper manufacturer.

This division can compete in the world market due to the availability of vertically-integrated operation from raw materials to finish goods.

Presently, their combined production capacity is 354,000 tons of pulp, 740,000 tons of coated and uncoated paper and 126,000 tons of paper stationery products, 280,000 tons of industrial paper and 110,000 tons of paper for packaging per year.

b. Agri-Business

At present, Sinar Mas Group has oil palm, coconut, tea, rubber, and banana plantations with a total area of approximately 300,000 ha. About 100,000 ha out of the total area have been planted and more than 50,000 ha has mature crops.

The products of this division cover a wide range of branded as well as unbranded edible oil. The Sinar Mas Group's cooking oil division has combined refining and processing capacity of nearly 0.5 million per year.

c. Real Estate

Sinar Mas Group has several activities in Real Estate in Jakarta and some big cities in Indonesia. This division has real estate for commercial and offices, housing, condominiums, hotels, and golf courses.

Sinar Mas Group also owns 17,4% shares in PT Plaza Indonesia Realty, a company which manages a five star hotel and shopping mall, which has listed its shares on the Stock Exchange in 1992.

d. Financial Services

Sinar Mas Group has interests in banking, insurance, securities, financing and leasing operations.

This division is based around PT Bank Internasional Indonesia, a Foreign Exchange Bank since 1988, and listed its shares on Jakarta Stock Exchange in 1989. PT Bank Internasional Indonesia is one of profitable private banks in Indonesia.

At present PT Bank Internasional Indonesia owns more than 100 branches throughout Indonesia with approximately 3,500 employees. Its activities include retail and corporate banking.

PT Bank Internasional Indonesia has established 2 joint ventures with international banks namely Credit Lyonnais and Fuji Bank.

IX. ACTIVITIES AND BUSINESS PROSPECT OF THE COMPANY

1. DEFINITION

CPO	: Crude Palm Oil
FFB	: Fresh Fruit Bunches
FFA	: Free Fatty Acids
PK	: Palm Kernel
PKO	: Palm Kernel Oil
PFAD	: Palm Fatty Acid Distillate
RBDPO	: Refined Bleached Deodorized Palm Oil
RBDOL	: Refined Bleached Deodorized Olein
RBDST	: Refined Bleached Deodorized Stearin
RBDCNO	: Refined Bleached Deodorized Coconut Oil

2. GENERAL

The activity of the Company started from an oil palm plantation in North Sumatera. In order to expand the plantation areas, and to diversify its business activities, since 1989, as has been described in Chapter VIII of this prospectus, the Company has expanded its business activity by participating in equity as well as in the purchase of business of some companies within Sinar Mas Group itself.

At present the line of business of the Company can be divided into some business units as follows:

- A. Plantations
- B. Cooking Oil and Margarine Refinery
- C. Others.

The activities of the Company are provided in the table on the next page.

A. Plantations

At present, the Company cultivates 113,270 ha. Approximately 56,000 ha of which are owned by the Company and its subsidiaries, the remaining about 57,000 ha are owned by Sinar Mas Group and its business partners but such plantations are cultivated and managed by the Company.

The plantations owned by the Company consisting of:

- a. Oil palm plantations
- b. Tea plantations
- c. Banana plantations

a. Oil Palm Plantation

At present the Company owns oil palm plantations in 5 locations in Sumatera and Kalimantan:

- a.1 Padang Halaban Plantation in North Sumatera
- a.2 Kanopan Plantation (Leidong West) in North Sumatera
- a.3 Panigoran Plantation in North Sumatera
- a.4 Inti Gerakmaju Plantation in South Kalimantan
- a.5 Tapan Nadenggan Plantation in North Sumatera and its subsidiaries.

ACTIVITIES OF THE COMPANY

Name of the Company	Activities Exploitation)	HGU (Right of HGU (ha)/Capacity	Expiry Date per June 1992 Year - ha	Planted area (ha)
PT SMART Corporation (North Sumatera)	Oil Palm Plantation	8,199	1998-5411 2004-1500 2006-916 2012-372	7,859
PT Maskapai Perkebunan Leidong West Indonesia (North Sumatera)	Oil Palm Plantation	1,870	1998-1410 2001-460	1,822
PT Perusahaan Perkebunan Panigoran (North Sumatera)	Oil Palm Plantation	1,666	1998-1666	1,655
PT Tapan Nadenggan (North Sumatera)	Oil Palm Plantation	7,985	2004-4985 2012-3000	7,623
PT Maskapai Perkebunan Indorub Sumber Wadung (West Java)	Tea Plantation	2,146	1998-2146	1,052
PT Nirmala Agung (West Java)	Tea Plantation	971	1997-970	450
PT SMART Corporation (East Java)	Cooking Oil Factory Margarine Factory	15,000 tons/months 3,650 tons/months		
PT Sinar Meadow Internasional Indonesia (Jakarta)	Cooking Oil Factory Margarine Factory	5,000 tons/months 3,250 tons/months		***
PT Sinar Pure Foods Internasional (North Sulawesi)	Tuna Canning	30,000 tons raw material per year		***
PT Inti Gerakmaju (South Kalimantan)	Oil Palm Plantation Coconut Plantation Rubber Plantation	25,500 4,000 500		*
PT Global Agronusa Indonesia (North Maluku)	Banana Plantation	2,000	**	600
PT SMART Corporation (North Sulawesi)	Banana Plantation	2,000	**	****
PT Grahama Indojava (North Sumatera)	Trucking Company	130 Units Truck		

- * Cultivated directly by the Company covering an area of 20,000 ha
- ** HGU still in the process
- *** At the stage of trial production
- **** Will be planted in 1993

a.1 Padang Halaban Plantation

The Padang Halaban Plantation is located 270 Km South of Medan, North Sumatera, covers an area of HGU of 8199 ha.

7,859 ha of the plantation has been planted with the plantation crop has an average age of 14,7 years. Approximately 37,5% of the productive acreage is aged between 7 and 16 years, which is the most productive period for oil palms.

The first crop was planted in 1967 and the replanting program has been started since 1980, after having been delayed for last two years and resumed in 1992 at a rate of 4% of existing cultivated acreage per year.

This plantation has its own site mill which processes FFB into CPO and PK with a capacity of 50 to 55 tons FFB per hour, and has an average CPO extraction rate of 22.5% of FFB by weight.

a.2 Kanopan Ulu Plantation (Leidong West)

Kanopan Ulu Plantation is owned by PT Maskapai Perkebunan Leidong West Indonesia (100% of its shares are owned by the Company). The plantation of oil palm with the area of HGU of 1,870 ha is located in North Sumatera, with 1,822 ha under cultivation.

All cultivated area is currently productive with the plantation crop has an average age of 7 years. This plantation originally was a rubber plantation, with oil palms first being planted in 1980 and the last time in 1987.

This plantation does not have on-site mill for processing FFB into CPO. All FFB produced by this plantation is shipped for processing to Padang Halaban Plantation, about 60 Km distant.

a.3 Panigoran Plantation

Panigoran plantation is owned by PT Perusahaan Perkebunan Panigoran (100% of its shares are owned by the Company). This oil Palm plantation covers an area of HGU of 1,666 ha, located in North Sumatera, with 1,655 ha under cultivation with plantation crop has an average age of 19,7 years. The first crop was planted in 1961 and the most recent planting was in 1983. Approximately 25% of the total acreage is between 7 and 16 years of age.

This plantation does not have FFB processing facilities to be CPO, so that all FFB from this plantation is shipped for processing to the adjacent mill at Padang Halaban plantation.

The Company operates this plantation under an agreement that the Company pays an annual license fee of Rp 331,000,000.00 (threehundred thirty one million rupiahs) and in exchange assumes all operational costs and profits or losses associated with the plantation's operation.

a.4 Inti Gerakmaju Plantation

Inti Gerakmaju Plantation is located in South Kalimantan, the plantation covers an area of 7,200 ha (1,800 ha is still in the process of obtaining HGU from the regional government). This plantation is owned by PT Inti Gerakmaju, which is itself 49% owned by the Company, and the remaining 51% owned by independent individuals.

Besides coconut and rubber plantations which are cultivated on the basis of HGU, PT Inti Gerakmaju also has the right to cultivate the 20,000 ha land reserved for oil palm plantation in South Kalimantan.

Inti Gerakmaju Plantation will be a diversified plantation covering a total of 30,000 ha. 25,500 ha to be planted with oil palm, 4,000 ha with coconut, and 500 ha with rubber trees.

The Company has entered into a cooperation agreement with PT Inti Gerakmaju pursuant to which the Company will undertake the planting and supervision of 20,000 ha in the area of land of 25,500 ha since 1992. Oil palm plantation of 4,000 ha and rubber plantation of 500 ha will be planted and managed by PT Inti Gerakmaju. Planting of palm is expected to commence by the Company in 1993 of 2,000 ha and of 6,000 ha per year in 1994, 1995, and 1996. The Company will produce FFB of 8,000 tons in 1996.

FFB produced on this plantation is planned to be processed into CPO at a mill owned by the Company.

a.5 Taipan Nadenggan Plantation and its subsidiaries.

Taipan Nadenggan plantation is located 400 Km South of Medan, North Sumatera. The plantation is jointly owned by the Company and independent individuals, each having 49% and 51% respectively.

This plantation covers an area 7,985 ha with 7,623 ha under cultivation. The first crop was planted in 1979 and the last planting was in 1991. About 97% of the cultivated area is productive and the remaining of 3% will enter productive life over the next two years. The average age of trees is 5,6 years.

This plantation has its own site mill capable processing FFB into CPO of 60 ton FFB per hour and has an average extraction rate of 22.7% of CPO by weight from the FFB.

Satya Kisma Usaha plantation or widely-known as Normark plantation is a subsidiary of PT Tapian Nadenggan, located in North Sumatera. 57% of the shares of this plantation were owned by other groups of companies which are not affiliated to Sinar Mas Group and 43% owned by PT Tapian Nadenggan a company which is itself 49% owned the Company.

This plantation covers an area of 2,312 ha with 1,938 ha under cultivation. The first crop was planted in 1975 and the last in 1992. The plantation crop has an average age of 12,75 years.

FFB product from this plantation is shipped for processing into CPO to the mill at Tapian Nadenggan plantation, which is about 30 Km away.

b. Tea Plantation

In the framework of diversification of its plantation activities, the Company has acquired 100% shares in two companies having tea plantations in Ciwidey and Bogor, West Java.

1. Indorub Sumber Wadung Plantation in Ciwidey.
2. Nirmala Agung Plantation in Bogor.

b.1 Indorub Sumber Wadung Plantation

Indorub Sumber Wadung Plantation is located in Ciwidey, West Java. It is a black tea plantation owned by PT Indorub Sumber Wadung (which is itself 100% owned by the Company).

This plantation covers an area of HGU of 2,146 ha, with 1,050 ha under cultivation and 845 ha has been productive. The first crop was planted in 1911 and the last was planted in 1992. A replanting program has been in operation since 1970 on area of the plantation with fewer than 5,000 plants/ha.

Tea plants are ready for harvest at three years' maturity. They are most productive during a 7 - 50 year cycle and they remain productive until 75 years. The black tea is processed in this plantation. The factory can handle up to 65 tons of fresh tea leaves per day. The dry tea is sorted into nine different grades, for local consumption ($\pm 14\%$) as well as export ($\pm 86\%$). The black tea produced in this plantation is sold at $\pm$ Rp 400.00 to $\pm$ Rp 3,000.00 per kg depending on the quality grade.

b.2 Nirmala Agung Plantation

Nirmala Agung Plantation is located in Bogor, West Java, covering an area of HGU title of 971 ha, with 450 ha under cultivation. This green tea plantation is owned by PT Nirmala Agung (which is itself 100% owned by the Company).

The first crop was planted in 1978 and the average age of tea plants is 6 years. This plantation produces green tea. The existing factory can handle up to 150 tons tea leaves per month. The dry tea is sorted into 6 different grades sold for the domestic consumption (+ 30%) and export ($\pm 70\%$). Green tea produced by this plantation is sold at prices in the range of Rp 800.00 to up Rp 3,000.00 per kg depending on the quality grade.

c. Banana Plantation

The Company owns 19% shares in PT Global Agronusa Indonesia, a company owns a banana plantation of 2,000 ha in North Maluku. The remaining 81% of the shares is held by PT Sinar Mas. This plantation was planted in early 1992 and the yields are expected in early 1993. In the middle 1992 only 600 ha of the plantation are under cultivation with an expected production level of 87,000 tons in 1993. Around 85% of the output will be exported to Japan in accordance with the Off Take Agreement with Artal Fresh Fruit Company, Hong Kong.

B. Cooking Oil and Margarine factory.

In order to have an integrated business, the Company has bought Assets, Liabilities and Business of 3 cooking oil and margarine refineries in Surabaya, previously independent business units in Sinar Mas Group, and entered into a joint venture with Goodman Fielder Wattie, Australia for establishing cooking oil and margarine refineries in Jakarta.

In order to strengthen its foothold in cooking oil industry the Company bought 8 trademarks from PT Supra Veritas in 1991 at the price of Rp 16,500,000,000.00 (sixteen billion five hundred million rupiahs) trademarks of which are currently used for its cooking oil and margarine.

The trademarks purchased are:

1. Filma
2. Kunci Mas
3. Obor
4. Paloma
5. Palmvita
6. Palmboom
7. Pusaka
8. Menara Eifel

The refineries owned by the Company and refinery owned by the joint venture are as follows:

a. Refineries owned by the Company located at:

- i. Jalan Gresik No. 1, Surabaya
- ii. Jalan Rungkut Industri Raya No.19, Surabaya
- iii. Jalan Rungkut Industri I No.34, Surabaya.

i. Jalan Gresik No. 1, Surabaya.

This refinery was acquired by the Company when the Company entered into merge arrangement with PT Mulyorejo Industrial Company in 1991. This Margarine and shortening refinery was originally built by Procter & Gamble in 1951 and later purchased by PT Mulyorejo Industrial Company in 1983.

Total production from this refinery is 650 tons per month, 33% of which is industrial and table margarine, the remaining is shortening. Soap-stock, a by-products composed of FFA and caustic soda is sold for the manufacture soap products.

This refinery also produces electrolysis hydrogen generated used for the production of margarine and shortening.

ii. Jalan Rungkut Industry RayaNo.19, Surabaya.

This refinery was also acquired by the Company when the Company entered into merge arrangement with PT Mulyorejo Industrial Company in 1991.

This 12-year-old refinery processes CPO into cooking oil at a production capacity of 600 tons per day and margarine 100 tons per day.

Other products are PFAD averaged about 5% of the pre-refined CPO by weight. PFAD is sold as an export product.

iii. Jalan Rungkut No. 34, Surabaya.

The refinery at jalan Rungkut I No. 34 was acquired by the Company when the Company purchased the Fixed Assets, Bank loans and Business of PT Kunci Mas Widjaya.

The 14-year-old refinery previously produced coconut cooking oil.

At present, this cooking-oil-processing machinery is no longer in use and they will be sold or used in other places. This refinery, however, is still used to package cooking oil into containers of 20 liters and drums with a total capacity of 13,600 tons per month.

b Refineries Owned by the Joint Venture.

The Company owns 50% shares in PT Sinar Meadow International Indonesia (SMII) and the balance 50% is owned by Goodman Fielder Wattie, Australia. SMII's refinery is located at Jalan Pulo Ayang I No. 6, Pulogadung, Jakarta.

The Jalan Pulo Ayang I No. 6 refinery will begin its commercial production at the end of 1992 with a capacity of 60,000 tons of cooking oil per year and 24,000 tons margarine per year. This refinery also produces hydrogen generated from electrolysis for the production of margarine.

A refrigerated storage section for the manufacture and storage of the margarine products is expected to be completed by the end of 1992.

In April 1992, SMII bought a refinery located next door at Jalan Pulo Agung II No. 3 from PT Nabata Murni (owned by individual which was not affiliated to the Company) at Rp 10,750,000,000 (ten billion seven hundred fifty million rupiahs). Its production capacity of 30,000 ton/year will be upgraded and this refinery will be integrated into SMII factory at Pulo Ayang I No. 6. The integration is expected to be completed by the end of 1992.

In April 1992, SMII also purchased a margarine refinery at Jalan Rawagirang No. 3 (also situated at Pulogadung Industrial Estate) owned by PT Citra Nabati Lestari (which is owned by the same shareholder of PT Nabati Murni) at Rp 3,490,000,000.00 (three billion four hundred ninety million rupiahs). The existing machinery for producing margarine in this refinery was moved to the Jalan Pulo Ayang I No. 6.

While the area of this refinery will be used by SMII for storage, and diversification of its business.

c. Others

Besides plantations and cooking oil industry the Company also engages in the fields of transportation and tuna cannery.

i. Transportation

At present the Company holds 25% shares in PT Grahama Indojaya, a company which is engaged in providing transportation services. This Company owns 105 tankers and dump trucks which service the oil palm plantations in North Sumatera and Riau. The purchase of the trucks was financed through leasing.

Some oil palm plantations owned by subsidiaries of the Company namely PT Tapian Nadenggan and PT Satya Kisma Usaha also use the services of PT Grahama Indojaya to ship FFB to be processed into CPO from the plantation to the mill, which is about 30 km from the plantation.

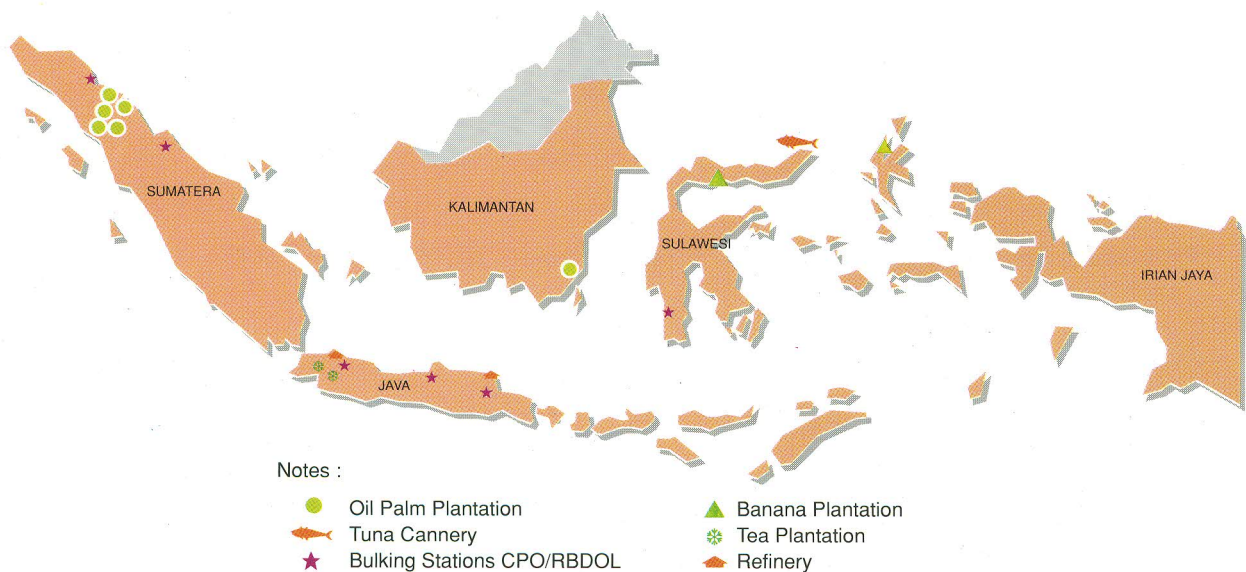
PT Tapian Nadenggan, one of the subsidiaries of the Company, also owns 25% shares in this transportation company and the balance around 50% is owned some independent individuals.

ii. Tuna Cannery

In early 1992, the Company purchased 50% shares in PT Sinar Pure Foods Indonesia (SPFI), a company owns a tuna canning plant in Bitung, North Sulawesi with a production capacity of 12,000 tons of canned tuna per year. The remaining 50% shares in SPFI is held by Ayala Corporation of the Philippines.

This newly-built plant will begin its commercial production in early 1993. Canned tuna will be exported to international canned tuna market in Europa and USA under the brand of the purchaser. The tuna are supplied by fishermen (who are licenced to fish in the fishing area located a few miles from the cannery by using net fishing which does not harm dolphin). The fishermen are bound by a three-year contract to supply tuna to SPFI. The concession holder of the fishing area is a company wherein Sinar Mas Group holds 50% of its shares. The concession right from the Government of the Republic of Indonesia is effective for one year and renewable.

Map indicates the location of the Company activities.



3. PRODUCTS

The Company's products are categorized according to the production lines as follows:

- A. Plantation Products:
 - a. Oil palm plantation products namely CPO and PK.
 - b. Tea plantation products namely green tea and black tea.
 - c. Banana plantation products.
- B. The products derived from the refinery of CPO namely palm oil, margarine, and shortening.
- C. Other products namely canned tuna.

Of those many products of the Company the principal product of the Company is cooking oil. The sales of unbranded cooking oil constitutes the largest sales of the Company.

A. Plantation Products

a. Oil palm plantation Products

Oil Palm tree produces fresh fruit bunches or FFB. The table below shows FFB produced by the Company's plantations and its affiliated companies:

PRODUCTION OF FFB OF THE COMPANY (1987 - 1992)

	(in ton/year)					
	1987	1988	1989	1990	1991	1992 (6 months)
PT Maskapai Perkebunan Sumcoma Padang Halaban and PT Perusahaan Perkebunan Panigoran	136,388	130,663	143,308	156,595	181,437	85,734
PT Maskapai Perkebunan Leidong West Indonesia	-	-	25,660	41,797	48,260	24,338
PT Tapan Nadenggan and its subsidiary company	-	-	-	-	-	70,804
Total	136,388	130,663	168,968	198,392	229,697	180,876

Note:

PT Inti Gerakmaju plantation will be cultivated in 1993

FFB is processed into CPO as the finished product of the plantation. CPO is a raw material for making cooking oil and its by-products.

CPO produced by the Company's plantation is sold to the CPO refinery owned by the Company or other parties at market price. The processing of FFB into CPO is carried out in the the plantation's mill. Not all plantations owned by the Company, however, have their own mills for processing FFB into CPO. For the plantations which do not have their own mills, FFB will be shipped to the nearest plantation having the mill owned by the Company. CPO produced by the Company's plantations is as follows:

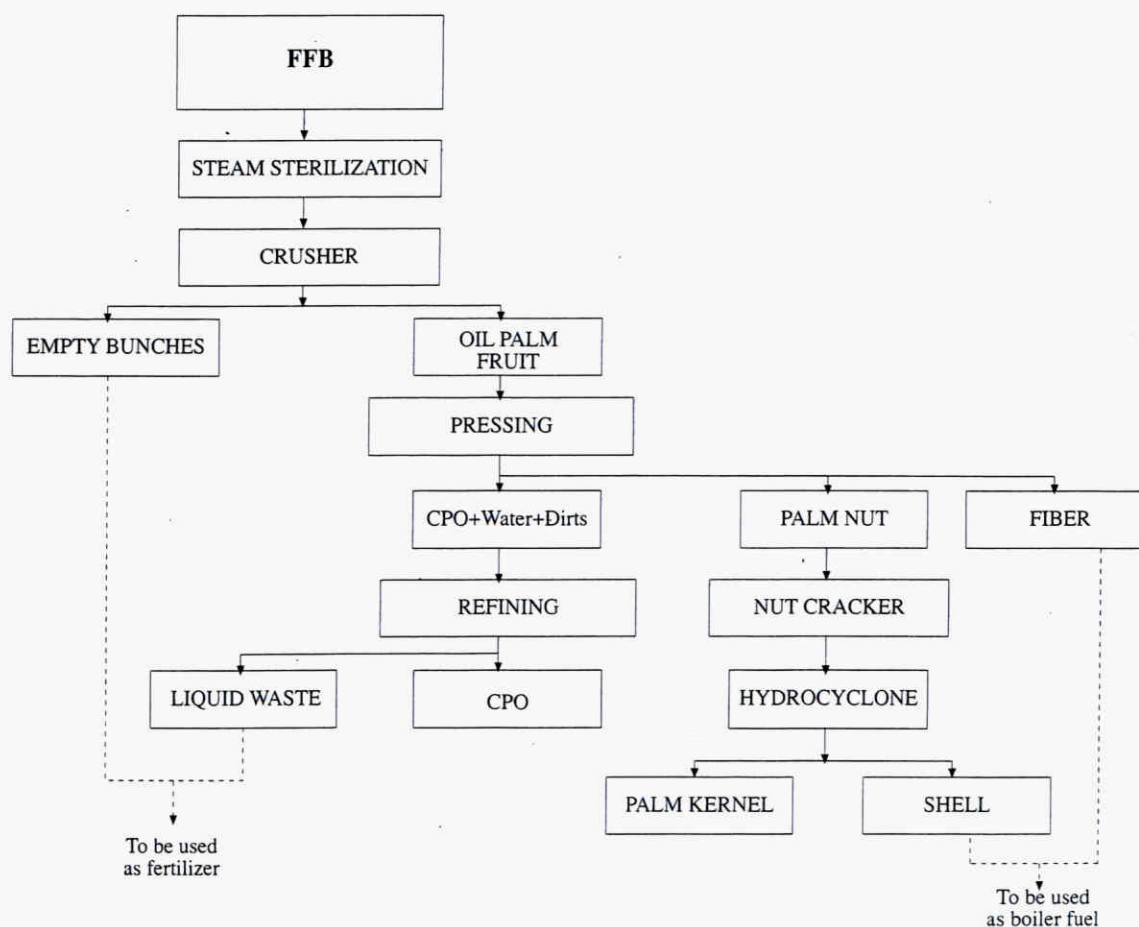
Production of CPO of the Company

(in ton/year)

	1987	1988	1989	1990	1991	1992 (6 months)
PT Maskapai Perkebunan Sumcama Padang Halaban, PT Maskapai Perkebunan Leidong West Indonesia and PT Perusahaan Perkebunan Panigoran PTTapiandenggan and its subsidiary Companies	30,348	27,976	35,822	42,623	51,728	24,726 16,241
Total	30,348	27,976	35,822	42,623	51,728	40,967

- Note: 1. The Plantation of PT Inti Gerakmaju will be planted in 1993
 2. FFB from PT Maskapai Perkebunan Leidong West Indonesia and PT Perusahaan Perkebunan Panigoran plantations are processed into CPO in the processing plant in the plantation of PT Maskapai Perkebunan Sumcama Padang Halaban.

Processing Process from FFB into CPO



The process begins with the harvesting of FFB with selected ripeness. In order to prevent an increase of FFA content, which can lower the quality of CPO, the newly-harvested FFB is immediately shipped to the processing plant in which FFB is sterilized by using high pressurized steam for 90 minutes for enzyme deactivation.

After steaming process, all palm fruits are separated from their bunches by using a special machine. The oil palm fruits are then crushed in a pressing machine to produce CPO. CPO is then cleared to separate waste and water by means of a centrifuge. The cleared CPO is sold to the margarine and cooking oil refineries.

Palm Kernel Produced by Palm Oil Plantation.

During the extraction process of CPO, there emerges wastes in the form of nut and fiber. The fiber is used as fuel in the boiler room, while the nuts are dried and fractured causing the kernels within the shell to contract away from it. The shell is used as fuel in the boiler room and palm kernel is further processed into PKO. Presently, the Company is building new factory to produce PKO, and in the meantime PK is directly sold. The data of PK produced by the Company's oil palm plantation is as follows:

PK PRODUCTION OF THE COMPANY

(in ton/year)

	1987	1988	1989	1990	1991	1992 (6 months)
PT Maskapai Perkebunan Sumcoma Padang Halaban, PT Maskapai Perkebunan Leidong West Indonesia and PT Perusahaan Perkebunan Panigoran	6,851	6,814	9,012	10,682	12,633	5,661
PTTapien Nadenggan and its Subsidiary Company						3,478
Total	6,851	6,814	9,012	10,682	12,633	9,139

Note: PT Inti Gerakmaju Plantation will be cultivated in 1993

b. Tea Plantation products

The Company owns two tea plantations which produce green and black tea. Production Data of tea plantations are as follows:

TEA PRODUCED BY THE COMPANY

(in ton/year)

	1987	1988	1989	1990	1991	1992 (6 months)
BlackTea PT Indorub Sumber Wadung	-	-	1,812	2,236	1,911	965
Green Tea PT Nirmala Agung	-	-	-	-	204	205
Total	-	-	1,812	2,236	2,115	1,170

Processing/drying of tea leaves are carried out in the factories in the plantation

c. Banana Plantation

Banana plantation of the Company will be planted in 1993, with yield expected by the end of 1994. The output of this 2,000 ha plantation area is expected to reach 108,000 tons in 1995, the majority of which (85%) will be exported to Japan.

B. CPO Refinery Products

Cooking oil is produced by the following Company's refineries located in:

- a. Jalan Gresik No. 1, Surabaya
- b. Jalan Rungkut Industry Raya No. 19, Surabaya
- c. Jalan Rungkut Industry I No. 34, Surabaya
- d. Refinery of PT Sinar Meadow International Indonesia, Jakarta

a. Factory at Jalan Gresik No. 1, Surabaya

This factory produces margarine and shortening. Margarine and shortening produced by the factory are as follows:

MARGARINE & SHORTENING PRODUCED AT THE FACTORY IN JL GRESIK (Before and After Acquisition)

(in ton/year)

	Capacity Production	Realization Production					
		1987	1988	1989	1990	1991	1992 (6 months)
Margarine & Shortening	7,800	4,835	7,499	6,811	7,568	7,915	3,677
Total	7,800	4,835	7,499	6,811	7,568	7,915	3,677

Other product produced during the making of margarine is "soap-stock", a by-product composed of FFA and caustic soda which will be used in soap making.

b. Refinery at Jl.Rungkut Industri Raya No. 19, Surabaya.

This refinery produces cooking oil and margarine. PFAD is also produced during the refining process of CPO. The PFAD produced averages about 5% of the pre-processed of CPO by weight.

The following table shows the production of cooking oil and margarine produced in refinery at Jalan Rungkut Industri Raya No. 19, Surabaya:

**THE PRODUCTION OF COOKING OIL & MARGARINE AT THE REFINERY
IN JL. RUNGKUT INDUSTRI RAYA No. 19
(Before and After Acquisition)**

(in ton/year)

	PT Mulyorejo Industrial Company						PT SMART
	Production Capacity	1987	1988	1989	1990	1991	1992 (6 months)
Cooking Oil	180,000	49,686	59,672	76,798	82,878	95,724	53,415
Margarine and Shortening	36,000	10,508	17,370	15,780	17,273	16,532	10,369
Total	216,000	60,194	77,042	92,578	100,151	112,256	63,784

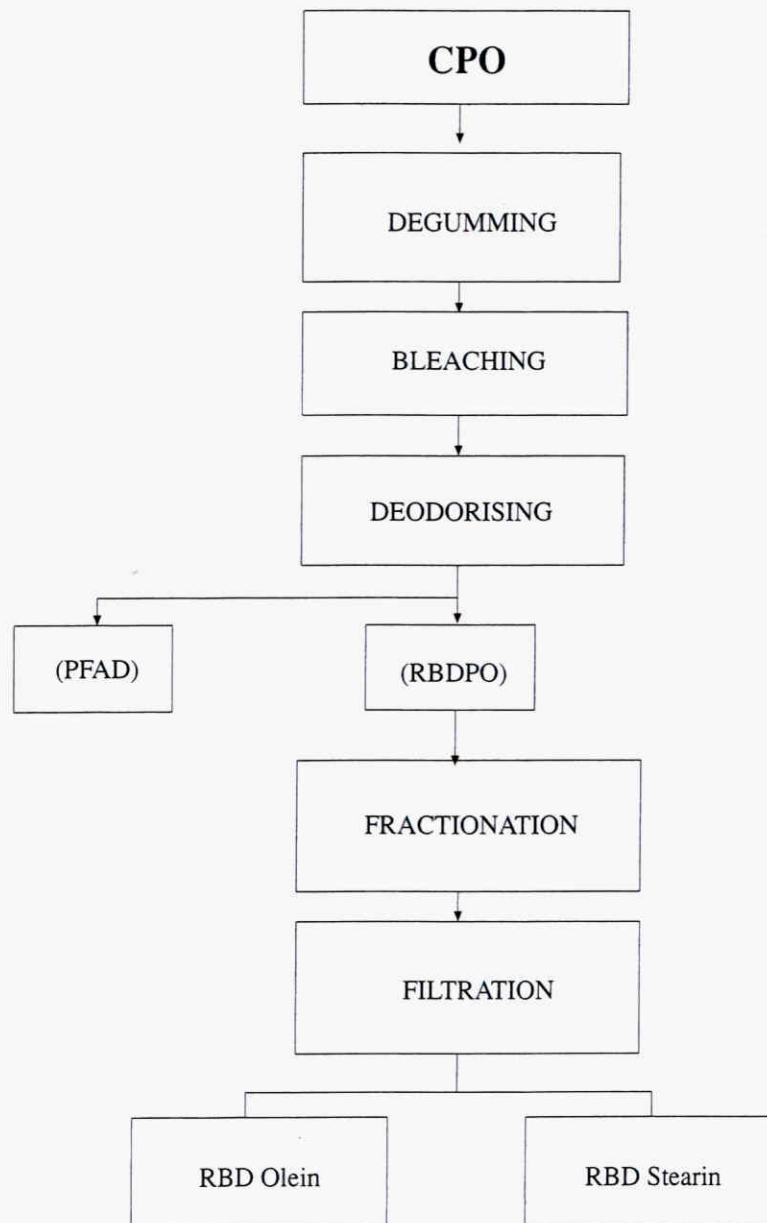
c. Refinery in Jalan Rungkut Industri I No. 34, Surabaya.

At present, the refinery in Jalan Rungkut 34 only be used to pack cooking oil in containers of 20 liters or bigger with a total capacity of 13,600 tons per month.

d. Refinery of PT Sinar Meadow International Indonesia, Jakarta.

The refinery owned by a joint venture between the Company and Goodman Fielder Wattie, Australia will not start its commercial production until the end of 1992. The production capacity of this new refinery is 60,000 tons of cooking oil per year, and 24,000 tons of margarine per year.

Production Process of Cooking Oil



CPO as raw material is purchased from the plantation owned by the Company or from other parties. Until now CPO from the Company owned plantations have been able to supply only about 30% of CPO needs of the Company, while the balance is purchased from the other parties Company from other parties. CPO is processed into cooking oil through a refining process as follows:

1. Degumming

This is the first step in the refining process in which the gum and fatty acid in CPO separated, together with metals (such as trace minerals, copper and iron) by the use of phosphoric acid.

2. Bleaching

The next step is bleaching by mixing the oil with bleaching earth under a vacuum room. Bleaching earth (Bentonite Calcium) having a nature of absorbing colour. In this process, other impurities in the oil is also removed.

3. Deodorising

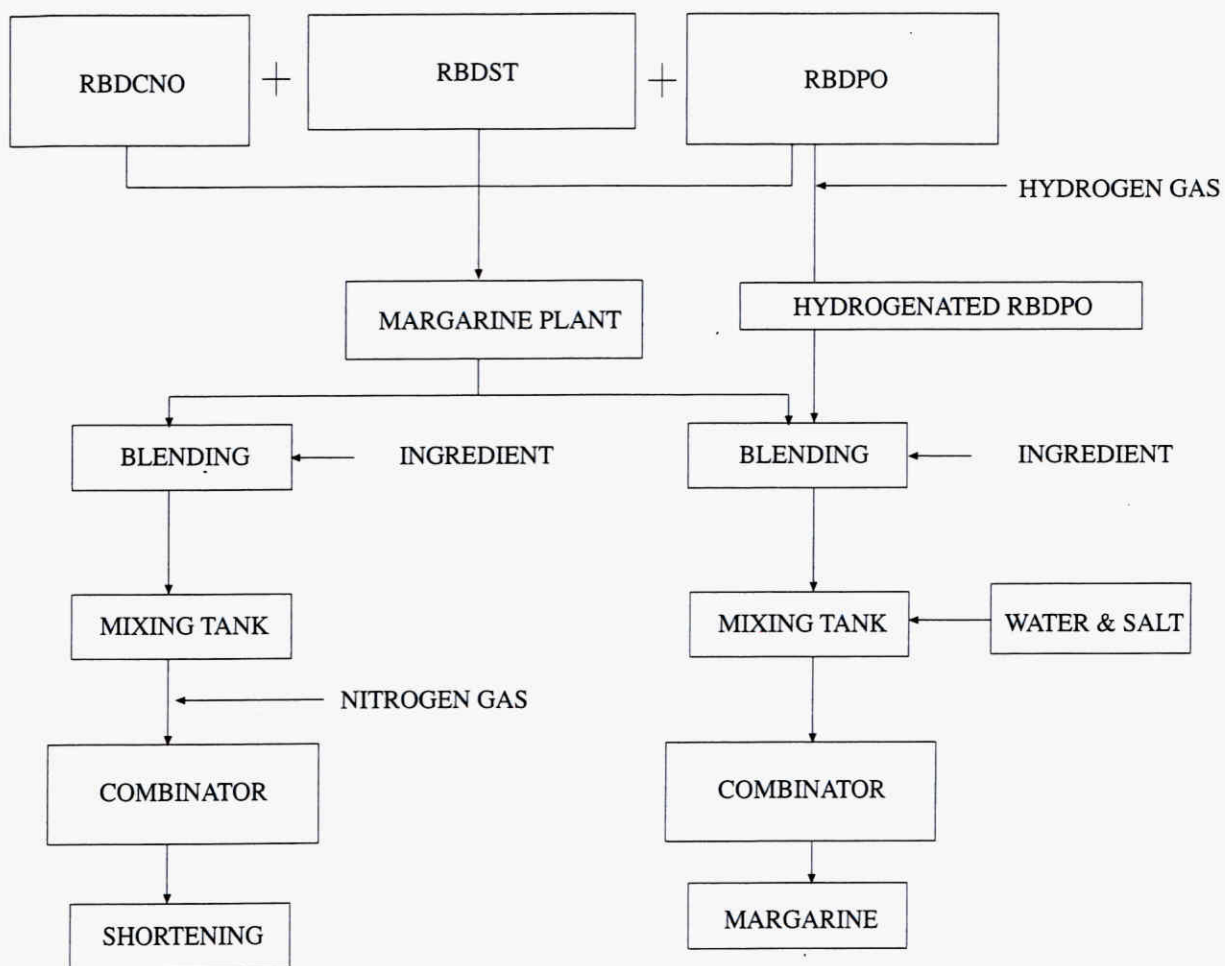
At this stage, the oil is already cleared and impurities removed yet the oil still possesses unpleasant odor and taste. These compounds then are removed by washing through steam. Then the oil is cooled and ready for next processes. The processed oil called as RBDPO and it is saleable or processed further into higher quality cooking oil.

4. Fractionation

For the manufacture of cooking oil, RBDPO must be fractionated into liquid olein or RBDOL and Refined Bleached Deodorized Stearin or RBDST. It is this RBDOL which is sold as cooking oil which is available in bottles, cans, or drums.

Over all, CPO refining process produces 65%-73% RBDOL, 21%-29% RBDST, 5%-10% PFAD, and a loss of 1%-2%.

Manufacturing Process of margarine and Shortening



In the margarine production process, RBDST, RBDPO and/or hydrogen RDBPO and RBDCNO are mixed in the blending tank in which salt and water are added.

This blended mixture is stirred and cooled to a solid or semi-solid. The mixture at this stage has turned into margarine which is ready to be packed and sold.

Shortening is made through the same process, the difference only is in the blending process where nitrogen gas instead of water and salt or hydrogen is added to it in order to produce a lighter color and softer texture product.

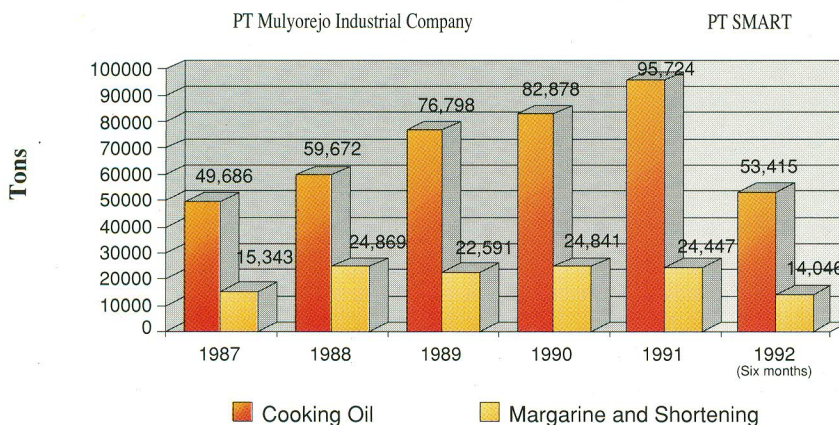
The PFAD produced represents by-products saleable in bulk to be used for the manufacture of other products.

Depending on its quality, the cooking oil produced can be branded and unbranded. At present, the largest product of the Company are unbranded cooking oil, while branded cooking oil is only 38% and the rest 19% is Margarine and Shortening.

The production of cooking oil, Margarine, and Shortening from all the Company's factories are as follows:

**THE COMPANY'S PRODUCTION OF COOKING OIL,
MARGARINE, AND SHORTENING
IN YEAR 1987 - 1992
(BEFORE AND AFTER ACQUISITION)**

	PT Mulyorejo Industrial Company					PT SMART
	1987	1988	1989	1990	1991	1992 (6 months)
Cooking Oil	49,686	59,672	76,798	82,878	95,724	53,415
Margarine and Shortening	15,343	24,869	22,591	24,841	24,447	14,046
Total	65,029 *	84,541 *	99,389 *	107,719 *	120,171 *	67,461



The trademarks owned by the Company directly or indirectly (acquired through a joint venture with Goodman Fielder Wattie) at present, among other:

Products	Trademark
Cooking Oil	Filma Kunci Mas Obor Jempol Salak Meadow Lea
Margarine and Shortening	Palmboom Pusaka Paloma Palmvita Menara Maestro Gold Bullion Silver Bullion
Table Margarine - Refrigerated - Non Refrigerated	Meadow Lea Mothers Choice Palmboom
Speciality Fats	Delicio Delicoa

C. Other products

The Company owns a joint venture cannery for tuna canning in Bitung, Sulawesi. This cannery will have a total production capacity of 12,000 tons of canned tuna per year and will start its commercial production by early 1993.

4. MARKETING

At present, the net sales of the Company consist of the sales of CPO refinery products, in the form of Cooking Oil, Margarine, and Shortening, and plantation products:

TOTAL NET SALES OF THE COMPANY 1989 - 1992 (in million rupiahs)

	1989	1990	1991	1992 (6 month)
Product Originated from Refinery of CPO	-	-	-	-
Cooking Oil	-	-	-	-
- Branded	-	-	-	14,239
- Unbranded	-	-	9,020	157,914
Margarine and Cooking				
Oil	-	-	-	12,590
RBDST	-	-	-	3,641
Total Product Originated from Refinery CPO	-	-	9,020	188,384
Plantation Product				
CPO	15,729	17,308	30,115	16,93
PK	2,186	2,322	4,104	3,176
FFB	1,913	193	-	-
Tea	3,183	3,182	5,321	2,650
Total Plantation Product	23,011	23,005	39,540	22,764
Total Product	23,011	23,005	48,560	211,148
Management Fee	-	-	-	2,589
Total	23,011	23,005	48,560	213,737

Before 1989, the net sales were only derived from Padang Halaban plantation owned by the Company. In 1989, the net sale increased because the Company had bought two oil palm plantations and one tea plantation whose total sales were consolidated into the net sales figures of the Company.

In 1990, the total net sale slightly decreased owing to the weakening price of CPO and PK in International Market.

In 1991, the net sales increased two fold because the Company purchased a tea plantation and an oil palm plantation, and the sales of the acquired companies were consolidated into the net sales of the Company. In addition the increase of the price of CPO in 1991 also increased the sale proceed of CPO substantially.

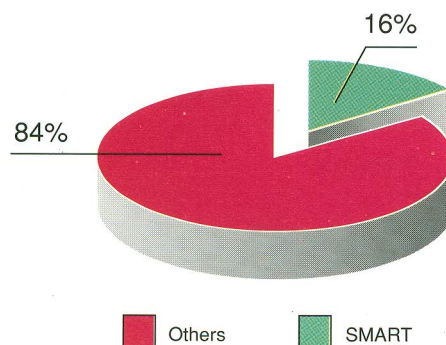
In 1992, the Company's net sales substantially increase due to the sales of cooking oil (mostly unbranded) and margarine originated from the newly purchased margarine and cooking oil factory (consolidated/merged) at the end of 1991.

a. Refinery Product

Viewed from the present composition of production, it is obvious that cooking oil represent the Company's main product. Eventhough unbranded cooking oil currently constitute the largest contributor to the sales the Company is giving more priority to develop branded cooking oil and lessening its dependence on the sale of unbranded cooking oil, for branded cooking oil give higher profit margin and has a better prospect.

The Company continues its efforts to increase its market share in branded cooking oil. The Data on SRI, Retail Audit of April/May 1992 indicated that the market share of the Company's branded cooking oil was 16%.

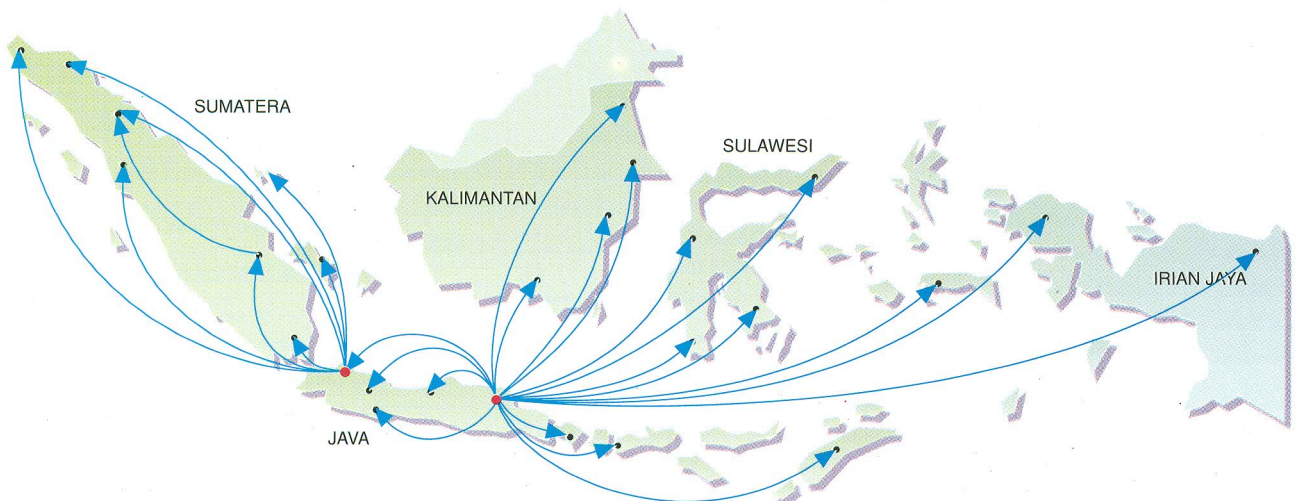
Market Share of branded Cooking Oil.



Source : Sri, Retail Audit April/May 1992

The distribution of Filma Cooking Oil is handled by PT Tiga Raksa Satria while other brands Kunci Mas and and Obor through approximately 30 local distributors covering the marketing areas of Sumatra, Riau, Java, Bali, West and East Nusatenggara, Kalimantan, Sulawesi and Maluku. While the distribution of margarine and shortening is handled by PT Eresindo. Both distributors are not affiliated with the Company.

MARKETING OUTLETS OF COOKING OIL



The unbranded refinery products are mainly for the house hold and industry consumption.

b. Plantation Product

b.1. CPO and PK

CPO and PK from oil palm plantation are used by the consumption of the Company's refinery itself. But the Company does not rule out the possibility of selling CPO and PK products to other refineries if the offering price is higher. This will not affect the supply of the raw material to the Company's refinery because up to present the raw materials which are obtained from the Company's own plantations can supply only 30% of the factory needs, the shortfall is procured from other parties. Raw materials can also be purchased from neighbouring country, Malaysia, because CPO is one of International commodity goods.

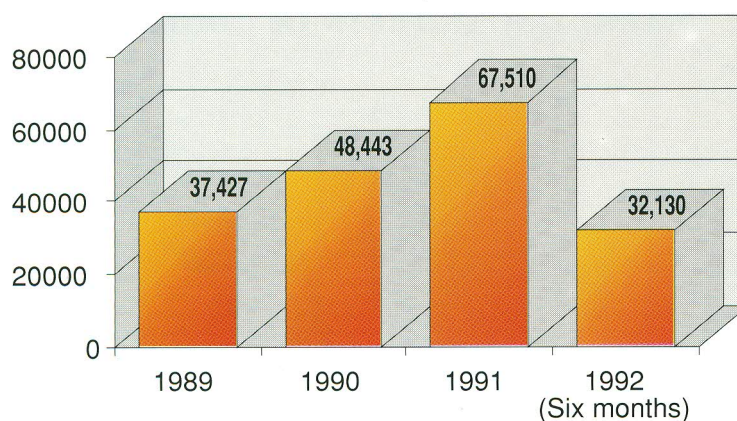
The chart below shows the level of development of the sale of CPO & PK of the Company for the last four years:

THE SALES DATA OF CPO & PK

(in ton)

Year	Domestic		Export		Total
	CPO	PK	CPO	PK	
1989	29,688	7,739	-	-	37,927
1990	38,342	10,101	-	-	48,443
1991	55,025	2,485	-	-	67,510
1992 (6 months)	25,813	5,717	600	-	32,130

SALE CHART OF COMPANY'S CPO and PK



b.2. TEA

The tea is sold as black and green tea and is mainly for export markets in Amerika, Europe, Asia, Australia, Pakistan, Belgium, Germany, Poland, and the Netherlands, while for domestic consumption the tea is sold only to some tea factories and certain tea traders.

The foreign customers can purchase the tea from this plantation directly or through their agents in Indonesia.

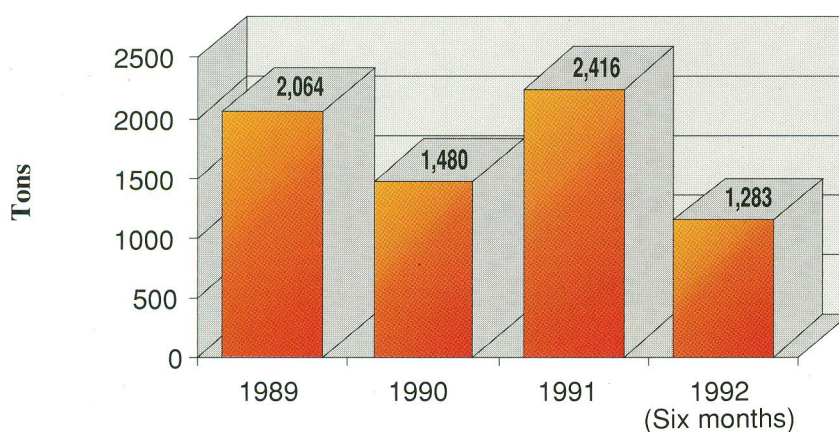
Due to its quality, the black tea product of this Company is widely known outside Indonesia. In addition, the plantation always maintains the good relationship with its customers in Indonesia as well as those outside Indonesia.

The following table shows the development of the Company's tea sales level in the last four years.

The Sales Data Of the Company's Tea
(in tons)

Year	Domestic		Export		Total
	Black Tea	Green Tea	Black Tea	Green Tea	
1989	2,064	-	-	-	2,064
1990	1,480	-	-	-	1,480
1991	952	178	1,286	-	2,416
1992 (6 months)	81	124	1,069	9	1,283

The Sales Data Of the Company's Tea

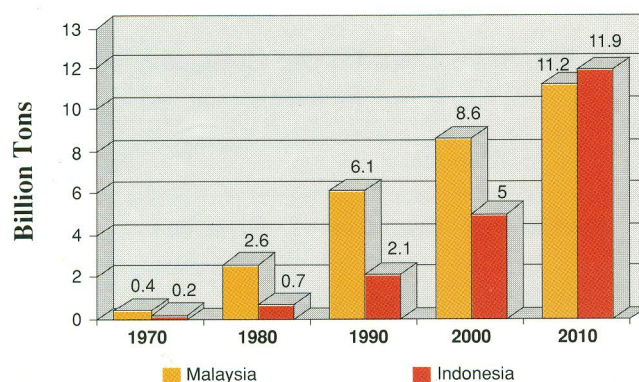


5. BUSINESS PROSPECT

As has been describe in the previous Chapters, the activities of tea and banana plantations and tuna enjoy long term sales contracts for export.

In palm oil business, the sales of the Company are mainly from CPO products, Cooking Oil and Margarine. Inspite of this, the Company has been constantly trying to increase its market shares. A present Indonesia is the second largest palm oil producer in the world after Malaysia.

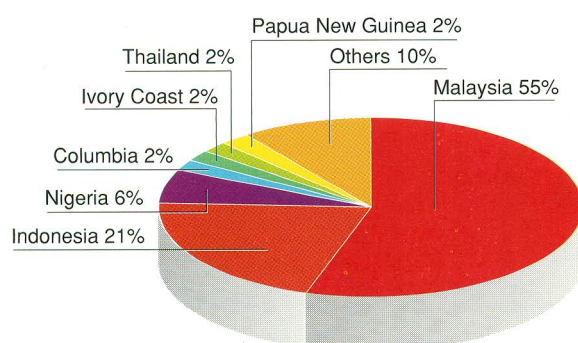
THE COMPARATION OF PRODUCTION OF (CPO) BETWEEN INDONESIA AND MALAYSIA



Source: Oil World - Annual 1991

The Industry growth in Indonesia, however, is faster than that of Malaysia, it is therefore forecasted that we will be able to outproduce Malaysia in the next 20 years.

THE WORLD'S PALM OIL PRODUCTS



Source: Oil World - Annual 1991

Oil made of oil palm fruits comes in the forms of CPO and PKO. Mostly the oil producers only process their oil palm fruits into CPO for sale and they do not process PK into PKO. Processing procedure is provided in Chapter VIII. PK is normally sold as it is.

Production and Export CPO and PKO National

(in thousand ton)

	1987	1988	1989	1990	1991
Production					
CPO	1,506	1,690	1,948	2,007	2,254
PKO	146	161	189	201	225
Export					
CPO	878	967	1,185	1,241	1,264
PKO	66	40	56	55	56

Sources: Oil World - Annual 1991

Most of the plantations are located in North Sumatera and Riau.

Although Indonesia is one of the palm oil producers in the world its consumption of palm oil is still low compared to other countries.

Mexico	16,8 kg per capita
Pakistan	15,3 kg per capita
Malaysia	15,5 kg per capita
Singapore	19,0 kg per capita
Indonesia	10,5 kg per capita

Sources: Oil World Annual, Advance Issue

Within the last 7 years production of CPO in Indonesia has increased by 160% or an average of 16% per year. This figure is forecasted to be continuously increasing in line with the increase of the plantation areas. Indonesian government forecast the increase of CPO by 16,6% in 1992 to 3,5 million tons. Below is the chart of export CPO according to Indonesian Central Bureau of Statistics:

NATIONAL CPO EXPORT 1989 - 1991

Year	Volume ('00 ton)	Value (US\$ million)
1989	781,9	224,6
1990	815,4	203,6
1991		
Jan	138,1	37,7
Peb	96,5	30,0
March	64,9	19,7
April	58,3	17,4
May	81,9	23,4
Jun	70,1	19,0
Jul	81,5	22,5
Ags	70,2	19,0
Sep	134,7	38,6
Oct	130,8	36,4
Nov	108,0	31,0

Sources: Central Bureau of Statistics, February 1992

Considering that the consumption of palm oil is still low, whereas Indonesia is one of the most densely populated countries, the prospect of palm oil industry is promising.

Although there is a competition from coconut oil, soybean oil, and other products the consumption palm oil at present however is higher and more popular compared to coconut oil. On the other hand consumption of soyabean oil is very little.

Apart from it the processing cost of palm oil is lower than that cost of other vegetable oil products and palm oil is more productive in term of production per area.

Yields of Vegetable Oil

	Yields
Palm - Oil	4,000 - 5,000 kg/ha
Coconut Oil	710 kg/ha
PKO	400 - 500 kg/ha
"Soyabean Oil"	389 kg/ha
"Peanut Oil"	875 kg/ha

6. ANALYSIS ON ENVIRONMENTAL IMPACT

In carrying out its production activities, the Company's plantation produces liquid and solid waste. For liquid waste, the Company has carried out purification through wastepond by adding anaerobic bacteria to lower BOD (Biological Oxygen Demand). The wastewater is then channelled through piping system to shower/wet part of the oil palm plantation, because still contains nutritious and beneficial substances to the plant. As a result three advantages can be obtained; the plants get water as well as nutrients regularly, the production of FFB is increased and the cost of fertilization and waste water purification is lessened. Thank to the sandy nature of the plantation ground, waste water is completely absorbed will not cause any harm to the surroundings since the plantation is located approximately 1000 m away from the river.

Solid waste, in the form of empty bunches are spread throughout the plantation as fertilizer.

All CPO refineries cooking oil and margarine factories have been provided with waste water treatment plant. The factory in Jakarta (PT Sinar Meadow International Indonesia), has been equipped with waste water treatment plant which guarantee that the waste water meets the International requirements.

The Refinery in Surabaya has obtained the approvals for Environment Management Plan and Environment Control from the governor of West Java No. 530.08/1155/201.3/1989 dated 13 September 1989.

X. SUMMARY OF IMPORTANT FINANCIAL INFORMATION

The chart below describes the summary of important information of the Company's financial statements for the period ending June 30, 1992 and December 31, 1991, 1990, and 1989.

The financial data is derived from the financial statements of the Company which have been audited by the public accountant office Drs. Utomo Co.

FINANCIAL REPORT

In million rupiahs, except net profit after tax per share and net profit before tax per share in rupiah	30/06/92	31/12/91	31/12/90	31/12/89
ASSETS				
Current assets	67,973	38,844	9,239	10,337
Investment in share	40,271	391	0	0
Due from affiliated Company, special relationship and shareholder	7,169	4,890	1,594	974
Fixed asset and fixed asset in connection with leasing-book value	77,010	71,011	29,280	28,553
Other assets	30,688	9,339	6,033	5,690
TOTAL ASSETS	223,111	124,475	46,146	45,554
LIABILITIES AND EQUITY				
Current liability	82,628	69,663	14,109	12,636
Long term liability	6,917	8,997	14,180	16,844
Due to affiliated, special relationship and shareholders	2,109	10,890	458	265
Total Liability	91,654	89,550	28,747	29,745
Equity	131,457	34,925	17,399	15,809
TOTAL LIABILITY AND EQUITY	223,111	124,475	46,146	45,554
Net Sale	213,737	48,560	23,005	23,011
Gross Profit	23,043	18,951	9,853	10,442
Income from Operation	16,221	14,620	6,970	8,863
Profit before Estimated Income Tax	14,768	11,579	2,601	5,632
Net Profit	10,693	10,525	1,590	3,451
Income from Operation Per Share	141	450	3,842	4,885
Net Profit per Share	93	323	876	1,902

Note: For comparative purposes in calculating the profits of the Company, the value of shares in 89, 90, and 91 was assumed to have a nominal of Rp 1.000 per share.

	30/06/92	31/12/91	31/12/90	31/12/89
Growth Ratio:				
Sales	- **	111.1%	(0.03%)	- *
Income From Operation	- **	109.7%	(21.4%)	- *
Net Profit	- **	561.8%	(53.9%)	- *
Financial Ratio:				
Current Assets to Total Current Liabilities	82.3%	55.8%	65.5%	81.8%
Total Liabilities to Equity	69.7%	256.4%	165.2%	188.2%
Total Liabilities to Total Assets	41.1%	71.9%	62.3%	65.3%
Business Ratio:				
Gross Profit to Net Sales	10.8%	39.0%	42.8%	45.4%
Income From Operation to Net Sales	7.6%	30.1%	30.3%	38.5%
Net Profit to Net Sales	5.0%	21.7%	6.9%	15.0%
Net Profit Ratio to Equity	8.1%	30.1%	9.1%	21.8%
Net Profit to Total Assets	4.8%	8.5%	3.4%	7.6%

* The growth ratio year 1989 is not available since the financial report for year ending 31 December 1988 was not consolidated in the subsidiary, as a result it can not be compared with the consolidated financial report for year ending 31 December 1989.

** Growth ratio for year 1991 is not available, because it only reflects 6 month activity as a result it can not be compared with the business activity of 12 months during the period of 1991.

XI. EQUITY

The chart below shows the changes in the equity for the period ending June 30, 1992 and the financial years ending December 31, 1991, 1990, 1989, in accordance with financial statement of the Company which have been audited by Accountant Office Drs. Utomo & Co.

In Million Rupiah	30/06/92	31/12/91	31/12/90	31/12/89
Paid-up Capital				
PT SadangMas	15,000	7,363	1,814	1,814
PT Supra Veritas	39,600	6,797	-	-
PT Sinar Mas Tunggal	65,400	-	-	-
Revaluation Increment in Fixed Asset	-	-	5,345	5,345
Retained Earning	11,457	20,765	10,240	8,650
Total equity	131,457	34,925	17,399	15,809

In connection with the public offer to offer part of its, the Company has amended its Articles of Association including the capital structure resolved in the Extraordinary General Meeting of Shareholders as set forth in Notarial Deed Imas Fatimah, S.H. No. 102 dated June 23, 1992 and Deed No. 45 dated September 11, 1992 and have been approved by the Minister of Justice of the Republic of Indonesia with Decision Letter No. C2-8128.HT.01.04.Th.92 dated September 29, 1992.

The change of the capital structure covers the following:

1. Changing the nominal value of the share from Rp 1,000,000.00 (one million Rupiahs) per share to Rp 1,000.00 (one thousand Rupiahs) per share.
2. Increase in the authorized capital of the Company from Rp 200,000,000,000.00 (two hundred billion Rupiahs) consisting of 200,000 (two hundred thousand) shares to 380,000,000 (three hundred eighty million) shares.

If the change of the capital structure of the Company due to the public offer of 30,000,000 shares with a nominal value of Rp 1,000.00 per shares occurs on June 30, 1992, then the structure of proforma capital of the Company on that date is as follows:

EQUITY PROFORMA AS OF JUNE 30, 1992

	Share Capital in Million Rupiahs	Capital Gain in Million Rupiahs	Revaluation incremental on Fixed Assets in Million Rupiahs	Retained Earning in Million Rupiahs	Total Equity in Million Rupiahs
Position on Financial Statement of June 30, 1992	120,000	-	-	11,457	131,457
Equity change after June 30, 1992 assumed to have occurred on the said date:					
Sales of new shares to the public	30,000	60,000	-	-	90,000
Proforma on June 30, 1992	150,000	60,000	0	11,457	221,457

XII. DIVIDEND POLICY

In the frame work this public offer the new shareholder has the same right as the old shareholders with respect to the rights on dividend.

The Company intends to pay dividend at least once a year. The amount of dividend payable will depend on the profitability of the Company for the fiscal year without jeopardizing the health of the company and either prejudizing the right of General Meeting of Shareholders to decide otherwise according to the terms of the Articles of Association of the Company.

In February 1992, the Company paid dividend in the sum of Rp 20,000,000,000.00 (twenty billion Rupiahs) to all shareholders which was later reinjected to the Company as capital. Dividend reinjected represented approximately 80% of the retained earnings formed part of capital restructure of the Company which was executed before the public offer.

In July 1993, the Company intends to pay cash dividend from net profits after tax in 1992 and the first quarter 1993.

For the subsequent years, final dividend from each financial year will be paid in the month of July next year. The amount of dividend will be between 20% up to 50% of the net profit after tax from the financial year concerned.

XIII. TAXATION

Income tax on dividends shall be imposed in accordance with the prevailing Taxation Regulations. In accordance with the Decree of the Minister of Finance of the Republic of Indonesia No. 566/KMK.04/1991 dated 19 June 1991, regarding "Certain Capital Investment Sectors which Generates Income to the Pension Funds Which are not The Object of the Income Tax", the income of the Pension Funds approved by the Minister of Finance of the Republic of Indonesia shall be exempted from the object of the Income Tax, if such income is derived or obtained from investments among others the investment in shares listed on the Stock Exchange in Indonesia.

XIV. UNDERWRITERS

In accordance with the terms and conditions of the Underwriting Agreement dated 12 October 1992, the underwriters whose names appear below hereby agree to offer and sell the shares of the Company in proportion of their respective Underwriting Commitment on a full commitment basis, and undertake to purchase the remaining unsold shares at the offer price on the closing date of offering period.

Managing Underwriters

PT Wi Carr Indonesia (Representative)
PT Indovest Securities

Underwriters

PT Makindo
PT Sinar Mas Eka Graha (affiliate of PT SMART Corporation)
PT KES Sinar Mas Securities (affiliate of PT SMART Corporation)
PT Daiwa Indonesia Securities
PT Asian Development Securities (affiliate of PT SMART Corporation)
PT BT Prima Securities Indonesia
PT Gajah Tunggal DBS Securities
PT Danareksa (Persero)
PT Pentasena Arthasentosa
PT Lippo Securities

In accordance with the Decree of Minister of Finance of Republic of Indonesia No. 1548/KMK.013/1990 dated 4 December 1990 Article 1 paragraph 1 points b and c, in conjunction with the Decree of the Minister of Finance of the Republic of Indonesia No. 1199/KMK.010/1991 dated 30 November 1991, then the following underwriters:

- PT Sinar Mas Eka Graha affiliated to and associated with PT SMART Corporation, owing to the fact that besides of being the shareholders in the Company, PT Sinar Mas Tunggal owns 54.50% and PT Supra Veritas owns 33%, each of the Companies owns 50% of the shares of PT Sinar Mas Graha.
- PT KES Sinar Mas Securities is affiliated to and associated with PT SMART Corporation, owing to the fact that PT Sinar Mas hold 40% of the shares of PT KES Sinar Mas Securities and PT Sinar Mas is also owned by the Widjaja family who also owns PT Sinar Mas Tunggal and PT Supra Veritas.
- PT Asian Development Securities is affiliated to and associated with PT SMART Corporation, owing to the fact that PT Sinar Mas Tunggal which holds 54.50% of the shares of the Company also owns 8% of the shares of PT Asian Development Securities.

XV. PARTIES INVOLVED IN THE PUBLIC OFFERING

The parties involved in this Public Offer are as follows:

- Public Accountant** : Drs. Utomo & Co.
Chase Plaza 8th Change
Jl. Jenderal Sudirman Kav. 21
Jakarta 12920
- Notary** : Imas Fatimah. SH.
Jl. Agus Salim 86
Jakarta Pusat
- Legal Consultant** : Tumbuan Pane
Wisma Dharmala Sakti 6th Change
Jl. Jenderal Sudirman 32
Jakarta 10220
- Appraisal Company** : PT Asian Appraisal Indonesia
Jl. Musi No. 38
Jakarta 10150

XVI. LEGAL OPINION

TUMBUAN PANE

KONSULTAN HUKUM

WISMA DHARMALA SAKTI, LANTAI 6
JL. JENDERAL SUDIRMAN 32
JAKARTA 10220

TELEPHONE : 570 3100 (3 SALURAN)
TELEFAX : 570 4001

No. 0190/TP/10/92

Jakarta, October 13th, 1992

To:

1. PT Wi Carr Indonesia
2. PT Indovest Securities

Both as Managing Underwriters
at Jakarta

Dear Sirs,

In connection with PT Sinar Mas Agro Resources and Technology Corporation (PT Smart Corporation), domiciled at Jakarta, (hereinafter named the "Company") intending to issue through the stock exchange in Indonesia 30.000.000 (thirty million) common registered shares (hereinafter the "Shares"), the Company has by letter dated February 18, 1992 appointed us as its legal counsel in compliance with article 16(a) of the Stock Issue Underwriting Agreement as set out in deed No. 40 dated October 12, 1992, executed before Imas Fatimah, SH, notary in Jakarta (hereinafter referred to as "the Underwriting Agreement").

The Company has, in the framework of the issue of the Shares, designated PT Wi Carr Indonesia ("Carr") and PT Indovest Securities ("Indovest") as the Managing Underwriters and Carr, Indovest, PT Daiwa Indonesia Securities, PT Gajah Tunggal DBS Securities, PT Makindo Securities, PT Sinarmas Eka Graha, PT (Persero) Danareksa, PT Lippo Securities, PT Asian Development Securities, PT BT Prima Securities Indonesia, PT KES Sinarmas Securities and PT Pentasena Arthasentosa as Underwriters based on the Underwriting Agreement.

In our capacity of legal counsel as aforementioned, we have been asked and we herewith submit this legal opinion with regard to the issue of the Shares.

I. We have reviewed and examined the documents as we have deemed necessary to give this legal opinion, including but not limited to:

- (a) The Articles of Association of the Company and its amendments; including changes in the Company's capital structure;
- (b) The Minutes of the Extraordinary General Meeting of Shareholders of the Company (on the amendment of the Company's articles of association in their entirety in the framework of going public) No. 102 dated June 23, 1992 jo Deed No. 45 dated September 11, 1992 both executed by and before Imas Fatimah, SH, notary in Jakarta;
- (c) The Company Tax Registration Number (NPWP):
 - i. 1.000.183.2-041 (Central)
 - ii. 1.000.183.2-113 (South Medan)
 - iii. 1.000.183.2-116 (Rantau Prapat)
 - iv. 1.000.183.2-606 (Surabaya)
 - v. 1.000.183.2-042 (Tanjung Priok)

The Decision Letter of the Minister of State for Economic, Financial and Industrial Affairs No. KEP/41/MEKUIIN/7/1970 dated July 15, 1970 regarding the approval to the foreign owned company PT Maskapai Perkebunan Sumcana Padang Halaban (the Company) which was established under the Laws of the Republic of Indonesia, to make foreign capital investment based on the provisions of Law No. 1/1967 regarding Foreign Capital Investment which is applicable to new foreign capital invested by the Company.

The Letter of the Minister/State Secretary of the Republic of Indonesia No. B-513/M-Sekneg/2/1985 dated February 26, 1985 regarding the notification from the Minister regarding the Presidential approval of the Company's intention to change its status from a Foreign Capital Investment (PMA) Company to a Domestic Capital Investment (PMDN) Company.

The Letter of BKPM No. 06/V/1985 dated March 28, 1985 regarding the approval to change the status of the Company from a PMA Company to a PMDN Company.

The Decision Letter of BKPM No. 438/III/PMDN/1991 dated June 3, 1991 regarding the approval to change the investment plan.

The Decision Letter of BKPM No. 381/APIT/1991/PMDN dated July 6, 1991 regarding the grant of the Limited Importer Identification Number in the framework of Law No. 6/1968 jo. Law No. 12/1970, on Domestic Capital Investment.

The Decision Letter of BKPM No. 939/III/PMDN/1991 dated October 28, 1991 regarding the approval to change the Company's name from PT Maskapai Perkebunan Sumcana Padang Halaban to PT Sinar Mas Agro Resources Technology Corporation (PT Smart Corporation).

The Decision Letter of BKPM No. 1174/III/PMDN/1991 dated December 27, 1991 regarding the approval to the Company to merge with PT Mulyoredjo Industrial Company.

The Decision Letter of BKPM No. 15/A.6/1992 dated February 4, 1992 regarding the change of the Limited Importer Identification Number (APIT) in the name of PT Maskapai Perkebunan Sumcana Padang Halaban to PT Sinar Mas Agro Resources Technology Corporation (PT Smart Corporation).

The Company Registration Number 09051119260 dated August 21, 1991 which is valid until June 25, 1996.

The Letter of PT Duta Pertiwi No. 013/SKD/JITC/ PROP/II/92 dated February 27, 1992 regarding the Company's domicile which is located in JITC 9th and 10th Floors, Jalan Arteri Mangga Dua, Jakarta 14430.

The Decision Letter of BKPM No. 497/III/PMDN/1992 dated June 3, 1992

regarding the no-objection of BKPM to the amendment of the Company's Capital in the frame-work of Going-Public.

(d) The land title deeds and the building permits as set forth in Annex I.

(e) The Articles of Association of the subsidiaries of the Company, namely:

1. PT Sinar Pure Foods International Indonesia ("PT Pure");
2. PT Maskapai Perkebunan Leidong West Indonesia ("PT MPLWI");
3. PT Perusahaan Perkebunan Panigoran ("PT Panigoran");
4. PT Indorub Sumber Wadung ("PT ISW");
5. PT Nirmala Agung ("PT NA");
6. PT Sinar Meadow International Indonesia ("PT Meadow");
7. PT Inti Gerak Maju ("PT IGM");
8. PT Tapan Nadenggan ("PT Tapan");
9. PT Grahamas Indojava ("PT GI");
10. PT Global Agronusa Indonesia ("PT GAI").

The business licences, court statements and land certificates of the abovementioned subsidiaries.

(f) The trademarks Bentoel, Gunung, Muro, Blue Ribbon, Glatik, Nuri, Padi, Ultra, Melati, Gunting, Obor, Filma, Menara Eifel, Palmboom, Pusaka, Palmivata and Kunci Mas which are registered with the Directorate of Patents, Trademarks and Copyrights and which are legally owned by the Company;

(g) The Articles of Association of the Company's shareholders which are limited liability companies, namely:

- PT Supra Veritas ("Veritas");
- PT Sinar Mas Tunggal ("PT MAS"); and
- PT Perdagangan, Perindustrian dan Pembangunan Sadang Mas ("Sadang Mas").

The business licences of the abovementioned shareholder companies.

- (h) The Plantation Management Agreement in the name of PT Maskapai Perkebunan Indorub Sumber Wadung which is situated in the Province of West Java, the Regency of Bandung, covering an area of 2,146,641 ha, to be used by the Company.

The Plantation Management Agreement in the name of PT MPLWI which is situated in the Province of North Sumatera, the Regency of Labuhan Batu, covering an area of 1,869,5 ha, to be used by the Company.

The Plantation Management Agreement in the name of PT IGM which is situated in the Province of South Kalimantan, the Regency of Kotabaru, covering an area of 4,600 ha to be used by the Company.

The Plantation Management Agreement in the name of PT Satya Kisma Usaha which is situated in the Province of North Sumatera, the Regency of Labuhan Batu, covering an area of 2,029.67 ha to be used by the Company.

The Plantation Management Agreement in the name of PT Tapan Nadengan which is situated in the Province of North Sumatera, Regency of Labuhan Batu and South Tapanuli, covering an area of 8,140 ha to be used by the Company.

- (i) The Letters from Bank of America dated May 4, 1992, BNI 1946 No. KPD 2/401/R dated May 21, 1992, BBD No. UKO 427/92 dated June 13, 1992, PT Sanwa Indonesia Bank No. SIB/LN/0146/92 dated September 25, 1992 and PT Bank Sakura Swadharma No. IV/LD/0074/92 dated May 11, 1992 regarding the approval to the Company to:

- a. pay out devidends;

b. amend the Company's articles of association, including to amend the Company's capital in the framework of "going-public".

(j) The Insurance Agreement with PT Asuransi Sinar Mas Dipta which covers the stock of goods owned by the Company for an insured value of Rp.500,000,000.- (five hundred million rupiah) in favour of the Company as beneficiary;

The Fire Insurance Agreement with PT Asuransi Dharma Bangun which covers the coconut oil factory, machineries and office inventories for an insured value up to Rp.11,667,000,000.- (eleven billion six hundred sixty seven million rupiah) with a bankers clause in favour of BBD Jakarta Branch.

The Fire Insurance Agreement with PT Asuransi Central Asia which covers the coconut oil factory, machineries and office inventories for an insured value up to Rp.1,308,500,000.- (one billion three hundred eight million five hundred thousand rupiah) with a bankers clause in favour of BNI'46 Jakarta Branch.

(k) The Environment Management Plan (RKL) and the Environment Observation Plan (RPL) of the Company.

(l) The Letter of the Registrar of the East Jakarta District Court No. W7.Da.Ht.04.10.2248.1992 dated September 15, 1992 stating that the Company, Jahya Wirawan Sudomo (Vice President Director), Daud Dharsono, SE (Director) and John Pandelaki (Commissioner) are not involved either as plaintiff, defendant or accused at the East Jakarta District Court during these last 2 (two) years.

The Letter of the Registrar of the Surabaya District Court No. W10.D.Sba.Um.02.02 dated September 11, 1992 stating that Drs. Johanes Hardianto (Director) is not involved either in a civil or criminal case at the Surabaya District Court.

The Letter of the Registrar of the Central Jakarta District Court No. W7.Dc.Ht.3664.IX. 92.03 dated September 10, 1992 stating that Dr. Yoga Soegomo (President Commissioner) is not involved as plaintiff or defendant in any civil case at the Central Jakarta District Court from 1990 until September 10, 1992.

The Letter of the Registrar of the South Jakarta District Court No.01/Sktr/Pan/Kp/1992/PNJS dated September 14, 1992 stating that H.R. Soetadi (Director), Rais Abin (Vice President Commissioner) and Drs. Samuel Bonsajang (Commissioner) are not registered either as plaintiff or defendant in the civil and criminal registry at the Registrar's office of the South Jakarta District Court from 1991 until 1992.

The Letter of the Registrar of the North Jakarta District Court No.31/1992/PN.Jkt.Ut dated September 26, 1992 stating that Juwono (Director) is not registered in the civil registry as well as at the criminal registry at the Registrar's Office of the North Jakarta District Court.

The Letter of the Registrar of the West Jakarta District Court No.W7.Db.Ht.04.05.4296/IX/1991 dated September 15, 1992 stating that Franky Oesman Widjaja (Vice President Director), Muktar Widjaja (President Director), Teguh Ganda Wijaya (Vice President Director), Tan Siauw Liang (Vice President Director), Dr. Eka Tjipta Widjaja (Vice President Commissioner), Sukmawati Widjaja (Vice President Commissioner), Indra Widjaja (Vice President Commissioner) and Djafar Widjaja (Vice President Commissioner) are not registered at the civil Registry as well as at the criminal registry at the Registrar's Office of the West Jakarta District Court during these last 3 (three) years from 1990 until September 15, 1992.

The Letter of the Registrar of the Medan District Court No. W2.D6.HD.04.10-7065/1992 dated September 21, 1992 stating that H. Oeminto (Director) is not involved in a civil or criminal case at the Medan District Court.

The letter from the Indonesian National Arbitration Board (BANI) No. 84/IX/SKT/BANI/92 stating that the Company as well as the Direksi (Board of Management) and the Dewan Komisaris (Supervisory Board) have never been registered in any dispute at the Indonesian National Arbitration Board (BANI).

- (m) The permits to act as underwriter for Carr, Indovest, PT Daiwa Securities, PT Gajah Tunggal DBS Securities, PT Makindo Securities, PT Sinarmas Eka Graha, PT (Persero) Danareksa, PT Lippo Securities, PT Asian Development Securities, PT BT Prima Securities Indonesia, PT KES Sinarmas Securities and PT Pentasena Arthasentosa.
- (n) The Registration Statement to Issue Securities dated July 22, 1992.
- (o) The draft prospectus by means of which the Shares are to be offered to the public.

II. Having reviewed and examined the aforementioned documents in the framework of the laws of Indonesia, particularly the regulations governing the public offer of shares and with due observance of the code of ethics and professional standards as legal consultant, we submit the following legal opinion:

1. The Company is a limited liability company, domiciled at Jakarta, which was incorporated at Jakarta by deed No. 67 dated June 18, 1962 executed before Raden Hadiwido, substitute for Raden Kadiman, SH, notary in Jakarta, yis. Deed No. 82 dated June 25, 1963 and Deed No. 43 dated August 26, 1963, both executed before Raden Kadiman, notary in Jakarta, with the name of PT Maskapai Perkebunan Sumcana Padang Halaban. Aforesaid deeds of incorporation were approved by the Minister of Justice thru his decision letter No. Y.A. 5/115/3 dated August 29, 1963.

The Company's Articles of Association and their amendments have been approved by or published in the:

- Supplement No. 570 of the State Gazette of the Republic of Indonesia No. 83 dated October 15, 1963;
- Supplement No. 118 of the State Gazette of the Republic of Indonesia No. 41 dated May 22, 1964;
- Supplement No. 583 of the State Gazette of the Republic of Indonesia No. 66, dated August 16, 1973;
- Supplement No. 2136 of the State Gazette of the Republic of Indonesia No. 38 dated May 12, 1992.

The articles of association were thereupon amended by resolution of the Company's extraordinary general meeting of shareholders as set forth in deed No. 102 dated June 23, 1992 jo. deed No. 45 dated September 11, 1992, respectively executed by and before Imas Fatimah, SH, notary in Jakarta, which amendments were approved by the Minister of Justice of the Republic Indonesia thru his decision letter No. C2-8128.HT.01.04.TH'92 dated September 29, 1992;

2. The Company was incorporated with the following capital structure:

- Authorized capital: Rp.17,647,000.- (seventeen million six hundred forty seven thousand rupiah) divided into 17,647 (seventeen thousand six hundred forty seven) shares, each with a nominal value of Rp.1,000.- (one thousand rupiah).
- Issued and fully paid up capital: 17,647,000 (seventeen million six hundred forty seven thousand rupiah).

Such capital structure was published in the Supplement No. 570 of the State Gazette of the Republic of Indonesia No. 83 dated October 15, 1963.

The capital of the Company was lastly amended as follows:

- Authroized capital Rp.380,000,000,000.- (three hundred eighty billion rupiah) divided into 380,000,000 (three hundred eighty million) shares each with a nominal value of Rp. 1000.- (one thousand rupiah).
- Issued and paid up capital 120,000,000 (one hundred twenty million) shares or Rp.120,000,000,000.- (one hundred twenty billion rupiah).

This amendment was approved by the Minister of Justice thru his decision letter no. C2-8128.HT.01.04.TH.92 dated September 29, 1992.

3. The Company has obtained all necessary licences and approvals to carry out its business activities as presently being undertaken and to the best of our knowledge the Company is not in breach or in default of compliance with any law or permit applicable to or binding on the Company;
4. The Plantations which among others are located in the villages of Penantian, Padang Halaban, Panigoran, Silumajang are owned by the Company, and the Company has title to the plots of land on which such plantations are located including the plots of land which among others are located at Surabaya, Makassar and Sidoarjo.
5. The capital participation of the Company in its subsidiaries has been carried out in accordance with the prevailing laws and regulations.
6. The subsidiaries of the Company namely, PT Pure, PT MPLWI, PT Panigoran, PT ISW, PT NA, PT Meadow, PT IGM, PT Tapan, PT GI and PT GAI, are all domiciled at Jakarta, and were incorporated pursuant to the prevailing laws and regulations and have obtained all permits and approvals necessary to carry out their respective business activities, as presently being undertaken by them and to the best of our knowledge such subsidiaries are not in

breach or in default of compliance with any law or permit applicable to or binding on them.

To the best of our knowledge and considering the written statements of the Direksi and the letters issued by the District Courts having jurisdiction over the domiciles of the Company's subsidiaries, said subsidiaries are not involved in any court case.

7. The Company's shareholders which are limited liability companies namely, Veritas, PT MAS and Sadang Mas were incorporated pursuant to the prevailing laws and regulations and have obtained all necessary permits and approvals to carry out their respective business activities as presently being undertaken and to the best of our knowledge such shareholders are not in breach or in default of compliance with any law or permit applicable to or binding on them.
8. The Company has obtained the necessary consents and approvals of its creditors which are required for the issuance and public offer of the Shares.
9. The issue and offer of the Shares to the public have been approved by the Extraordinary General Meeting of Shareholders of the Company and consequently the Direksi of the Company is authorized to perform on behalf of the Company any legal act and sign any document related to the issue of the Shares.
10. The Underwriting Agreement which was signed by the Company and Carr and Indovest as the Managing Underwriters is valid and legally binding and enforceable in accordance with the terms thereof, with the understanding that the enforceability of any contract is subject to the principle of good faith which must be observed pursuant to article 1338 of the Civil Code of Indonesia.
11. Carr and Indovest as Managing Underwriters and the other Underwriters namely PT Daiwa Indonesia Securities, PT Gajah Tunggal DBS

Securities, PT Makindo Securities, PT Sinarmas Eka Graha, PT (Persero) Danareksa, PT Lippo Securities, PT Asian Development Securities, PT BT Prima Securities Indonesia, PT KES Sinarmas Securities and PT Pentasena Arthasentosa have obtained all necessary approvals to act as underwriters.

12. The offered Shares will confer on the holder whose name is registered in the Company's share register the right to exercise any and all rights exercisable by a shareholder in accordance with the Company's articles of association and the prevailing laws and regulations.
13. Up to the issue date of the certificates of the District Courts and the Indonesian National Arbitration Board mentioned above, to the best of our knowledge the members of the Direksi and the Board of Commissioners of the Company are not involved in any court case or arbitration.

Thus this legal opinion is submitted in the framework of the issue of the Shares by the Company in accordance with the laws and regulations of the Republic of Indonesia.

Sincerely yours,

TUMBUAN PANE

A handwritten signature in dark ink, appearing to read 'Fred B.G. Tumbuan', is written over a horizontal line.

Fred B.G. Tumbuan

ANNEX I

LAND TITLE DEEDS AND BUILDING PERMITS

1. The HGU Certificate No. 1/Pernantian dated November 14, 1975 in the name of the Company, located in the Province of North Sumatera, the Regency of Labuhan Batu, the District of Aek Natas, the Village of Pernantian, valid until December 31, 2004, covering an area of 1500 Ha, as described in the Situation Map No. 244/PT/1975(65) dated November 14, 1975.
2. The HGU Certificate No. 1/Padang Halaban dated November 12, 1976 in the name of the Company, located in the Province of North Sumatera, the Regency of Labuhan Batu, the District of Aek Natas, the Village of Padang Halaban, valid until December 31, 1998, covering an area of 5.411 Ha, as delineated in the Situation Map No. 53-KGPT/1977(GS), dated February 2, 1977.
3. The Binding Agreement to Sell and Purchase No. 79 dated August 1, 1991 executed before Benny Kristianto, SH, notary in Jakarta, of 2 plots of land in the name of PT Serikat Putera, namely:
 - (i) The HGU Certificate No. 1/Panigoran dated June 25, 1976 covering an area of 372 Ha as delineated in the Situation Map No. 81/KGPT/76(GS) dated February 9, 1976, located in the Province of North Sumatera, the Regency of Labuhan Batu, the District of Aek Natas; the Village of Panigoran; and
 - (ii) The HGU Certificate No. 1/Silumajang dated January 15, 1977, covering an area of 916 Ha, as delineated in the Situation Map No. 58/KGPT/1977(GS) dated January 15, 1977, located in the Province of North Sumatera, the Regency of Labuhan Batu, the District of NA IX-X, the Village of Silumajang between PT Serikat Putra as title holder (seller) and the Company as purchaser;

between PT Serikat Putera as the title holder (seller) and the Company as Buyer

- Note: 1. The HGU Certificate No. 1/Silumajang has not yet been reregistered in the name of the Company.
2. Regarding the plot of land with the HGU Certificate No. 1/Panigoran, by virtue of the Decision Letter of the Head of the National Board of Land Affairs No. 5/HGU/BPN/89 dated January 9, 1989, the HGU title has been granted to PT Serikat Putera which is valid until December 31, 2021.
4. The Agreement Letter on the Transfer of the Utilization of the Part of the Land with the Right of Harbour Management with the Grant of Right of Building No. 457/JS.V/SP/92 dated May 23, 1992 between the Head of the Tanjung Perak Harbour Authority and the Company regarding a plot of land covering an area of 4.782 M2 located at Jalan Nilam Timur, Surabaya and valid for 20 years and which therefore will end on May 31, 2012.
5. The Agreement Letter between Perusahaan Umum Pelabuhan IV, Kelas Utama Makasar and the Company No. 17/KB 010/97/MS.92 dated August 8, 1992 regarding the Lease of the Part of the Harbour Land whereunder the Company rents a plot of land covering an area of 1,568 M2 located at Jalan Hatta in the Makasar Harbour area.
6. The Deed of Sale and Purchase No. 85/Rkt/VII/HT/1992 dated July 30, 1992 executed before Suyati Subadi, SH, notary in Surabaya between PT Muro and the Company concerning a plot of land with HGB certificate No. 3/Rungkut Kidul dated february 14, 1981 registered in the name of PT Mulyoredjo, located in the Province of East Java, the Regency of Surabaya, the District of Rungkut, the Village of Rungkut Kidul, valid until February 9, 2001 covering an area of 20,005 M2 as delineated in the Situation Map No. 494/1981(GS) dated February 10, 1981.
7. The Deed of Sale and Purchase No. 86/Rkt/VII/HT/1992 dated July 30, 1992 executed before Suyati Subadi, SH, notary/PPAT in Surabaya between PT Muro and the Company concerning a plot of land with HGB Certificate No. 157/Rungkut Kidul dated April 6, 1987 registered in the name of PT Mulyoredjo,

located in the Province of East Java, the Regency of Surabaya, the District of Rungkut, the village of Rungkut Kidul, valid until September 1, 2009 covering an area of 17,230 M2 as delineated in the Situation Map No. 1425/1987(GS) dated February 18, 1987.

Pursuant to a letter from Suyati Subadi, SH, notary/PPAT Surabaya, to Bank Bumi Daya Jembatan Merah, Surabaya Branch, No. 348/Per/VII/Ht/1992 dated July 18, 1992, as regards the 2 (two) plots of land as delineated in items 6 and 7 above, the registration of the transfer from PT Muro to the Company is still in the process.

8. The HGB Certificate No. 14/Wadungsari dated April 25, 1983 registered in the name of PT Mulyoredjo located at the Province of DATI I East Java, the Regency of DATI II Sidoarjo, the District of Waru, the Village of Wadungsari, valid until March 27, 2003, covering an area of 300 m² as delineated in the Situation Map No. 858/1983 (65) dated April 5, 1983.

Note: The Certificates of the plots of land mentioned in items 6, 7 and 8 above are kept as collateral by Bank Bumi Daya, Surabaya Branch.

9. The HGB Certificate No. 6 Wadungasri dated April 25, 1983 registered in the name of PT Mulyoredjo, located in the Province of DATI I East Java, the Regency of DATI II Sidoarjo, the District of Waru, the Village of Wadungasri, valid until March 27, 2003, covering an area of 357 m², as delineated in the Situation Map No. 850/1983 (GS) dated April 5, 1983.
10. The HGB Certificate No. 7/Wadungasri dated April 25, 1983 registered in the name of PT Mulyoredjo, located in the Province of DATI I East Java, the Regency of DATI II Sidoarjo, the District of Waru, the Village of Wadungasri, valid until March 27, 2003, covering an area of 300 m², as delineated in the Situation Map No. 851/1983 (GS) dated April 5, 1983.
11. The HGB Certificate No. 8/Wadungasri dated April 25, 1983 registered in the name of PT Mulyoredjo, located in the Province of DATI I East Java, the

Regency of DATI II Sidoarjo, the District of Waru, the Village of Wadungasri, valid until March 27, 2003, covering an area of 240 m², as delineated in the Situation Map No. 852/1983 (GS) dated April 5, 1983.

12. The HGB Certificate No. 9/Wadungasri dated April 25, 1983 registered in the name of PT Mulyoredjo, located in the Province of DATI I East Java, the Regency of DATI II Sidoarjo, the District of Waru, the Village of Wadungasri, valid until March 27, 2003, covering an area of 240 m², as delineated in the Situation Map No. 852/1983 (GS) dated April 5, 1983.
13. The HGB Certificate No. 10/Wadungasri dated April 25, 1983 in the name of PT Mulyoredjo, located in the Province of DATI I East Java, the Regency of DATI II Sidoarjo, the District of Waru, the Village of Wadungasri, valid until March 27, 2003, covering an area of 240 m², as delineated in the Situation Map No. 854/1983 (GS) dated April 5, 1983.
14. The HGB Certificate No. 12/Wadungasri dated April 25, 1983 in the name of PT Mulyoredjo, located in the Province of DATI I East Java, the Regency of DATI II Sidoarjo, the District of Waru, the Village of Wadungasri, valid until March 27, 2003, covering an area of 240 m², as delineated in the Situation Map No. 856/1983 (GS) dated April 5, 1983.
15. The HGB Certificate No. 13/Wadungasri dated April 25, 1983 in the name of PT Mulyoredjo, located in the Province of DATI I East Java, the Regency of DATI II Sidoarjo, the District of Waru, the Village of Wadungasri, valid until March 27, 2003, covering an area of 240 m², as delineated in the Situation Map No. 857/1983 (GS) dated April 5, 1983.

NOTE: Pursuant to the Affidavit issued by Ary Soemarjo, SH, notary/PPAT in Sidoarjo it is stated that as regards the plots of land mentioned under items 8 thru 15 above the reregistration process from PT Muro to the Company are still in the process.

16. Pursuant to the Deeds of Sale and Purchase No. 22/IV/Krembangan/1990 and No. 23/IV/Krembangan/1990 both dated April 9, 1990, executed before Eddy Widjaja, SH, notary/PPAT in Surabaya, the sale and

purchase of a plot of land covering an area of 7,833 m² has been made by PT Filma to PT Muro and pursuant to the Deed of Sale and Purchase No. 24/IV/Krembangan/1990 dated April 9, 1990, executed before Eddy Widjajam, SH, notary in Surabaya, has been made the sale and purchase of land covering an area of 715 m² has been made by PT Filma to Muktar Widjaja as mentioned in the HGB Certificate No.6/K dated September 2, 1986, registered in the name of PT Filma, located in the Province of East Java, the Regency of Surabaya, the District of Krembangan, the Village of Kemayoran valid until November 19, 2005, covering an area of 8,548 m² as delineated in the Measurement Map No. 708/1986 dated August 8, 1986.

NOTE: The plots of land mentioned in item 16 above have been transferred to the Company, however, since the registration from PT Filma to PT Muro has not yet been completed, therefore, between PT Muro and the Company were executed the following 2 (two) Binding Agreement to Sell and Purchase:

- a. The Binding Agreement to Sell and Purchase dated August 14, 1992 executed privately (duly stamped) between Muktar Widjaja and the Company whereby the sale and purchase of the plot of land covering an area of 715 m² mentioned above will be made after the certificate of right to such land has been registered in the name of Muktar Widjaja;
 - b. The Binding Agreement to Sell and Purchase dated August 14, 1992, executed privately (duly stamped) between PT Muro and the Company whereby the sale and purchase of the plot of land covering an area of 7,833 m² mentioned above will be made after the certificate of right to such land has been registered in the name of PT Muro.
17. The Deed of Sale and Purchase No. 140/I/RGT/1992 dated July 30, 1992 executed before Liliek Rusjdi, SH, notary/PPAT in Surabaya between PT Kunci Mas Wijaya and the Company concerning the land with HGB certificate No. 4/Rungkut Kidul dated November 5, 1984 registered in the name of PT Kunci Mas Wijaya located in the Province of East Java, the Regency of Surabaya, the District of Rungkut, the Village of Kalirungkut valid until May 19, 2007, covering

an area of 7,313 m² as delineated in the Provisional Measurement Letter No. 2484/1982 (SU) dated March 30, 1982.

18. The Deed of Sale and Purchase No. 141/I/RGT/1992 dated July 30, 1992 executed before Liliek Rusjdi, SH, notary/PPAT in Surabaya between PT Kunci Mas Wijaya and the Company concerning the land with HGB Certificate No. 8/Kalirungkut dated November 5, 1984 registered in the name of PT Kunci Mas Wijaya located in the Province of East Java, the Regency of Surabaya, the District of Rungkut, the Village of Kalirungkut valid until May 19, 2007 covering an area of 2,772 m², as delineated in the Provisional Measurement Letter No. 2483/1982 (SU) dated March 30, 1982.

FBGT/MLP/IGP/sm/0386A

**XVII. PUBLIC ACCOUNTANT REPORT AND FINANCIAL
STATEMENT OF THE COMPANY**



DRS UTOMO & CO.
REGISTERED PUBLIC ACCOUNTANTS
ARTHUR ANDERSEN & CO. SC

Chase Plaza
Jl. Jend. Sudirman Kav. 21
Jakarta 12920, Indonesia

Report No. 18338S

The Stockholders, Board of Directors and Commissioners
P.T. Sinar Mas Agro Resources and Technology Corporation

We have examined the consolidated balance sheets of P.T. Sinar Mas Agro Resources and Technology Corporation (formerly P.T. Maskapai Perkebunan Sumcoma Padang Halaban) and subsidiaries as of June 30, 1992, December 31, 1991, 1990 and 1989, and the related consolidated statements of income, retained earnings and changes in financial position for the six months ended June 30, 1992 and years ended December 31, 1991, 1990 and 1989. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In 1991, the Company changed the method of computing depreciation on certain property, plant and equipment from double-declining balance method to straight-line method. The effect of this change increased the 1991 net income as explained in Notes 2 and 30 to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly the financial position of P.T. Sinar Mas Agro Resources and Technology Corporation and subsidiaries as of June 30, 1992, December 31, 1991, 1990 and 1989, and the results of their operations and the changes in their financial position for the periods then ended, in conformity with generally accepted accounting principles in Indonesia applied on a consistent basis subsequent to the change, with which we concur, made as of January 1, 1991, in the method of computing depreciation on certain property, plant and equipment as explained in Notes 2 and 30 to the consolidated financial statements.

DRS UTOMO & CO.

Drs M.P. Sibarani
Registered Accountant No. D-514

October 5, 1992

P.T. SINAR MAS AGRO RESOURCES AND TECHNOLOGY CORPORATION
(Formerly P.T. Maskapai Perkebunan Sumcama Padang Halaban)
AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 1992, DECEMBER 31, 1991, 1990 AND 1989

		A S S E T S			
	Notes	June 30, 1992	December 31, 1991	December 31, 1990	December 31, 1989
CURRENT ASSETS					
Cash on hand and in banks	3	Rp 5,451,500,030	Rp 2,066,976,854	Rp 904,070,077	Rp 562,376,356
Time deposits	4,34	1,550,000,000	4,500,000,000	1,350,000,000	1,450,000,000
Accounts receivable					
Trade	2,5,20,34	28,869,643,039	13,470,239,574	2,616,121,750	5,471,922,586
Others	6,34	1,820,963,190	1,063,353,035	150,167,857	116,471,487
Inventories	2,7,20	27,899,941,431	16,431,502,657	4,139,299,017	2,147,916,537
Prepaid taxes	8	1,586,263,163	1,140,690,553	-	-
Prepaid expenses	2	794,507,076	170,904,882	79,149,206	588,282,137
Total Current Assets		67,972,817,929	38,843,667,555	9,238,807,907	10,336,969,103
INVESTMENTS IN SHARES OF STOCK	2,9	40,271,059,395	390,639,448	-	-
DUE FROM AFFILIATED COMPANIES	2,10	3,032,844,202	1,340,751	-	-
DUE FROM RELATED PARTIES	2,11,34	4,136,682,587	3,586,562,456	1,593,735,568	695,805,644
DUE FROM STOCKHOLDER	2,12	-	1,302,340,634	-	278,269,459
PROPERTY, PLANT AND EQUIPMENT	2,13,20,24				
Cost		108,117,380,651	100,549,005,695	60,560,016,615	56,847,192,029
Less accumulated depreciation		31,734,856,456	29,766,564,887	31,279,569,522	28,294,149,828
Net Book Value		76,382,524,195	70,782,440,808	29,280,447,093	28,553,042,201
EQUIPMENT UNDER CAPITAL LEASE	2,14				
Cost		717,860,187	255,425,000	-	-
Less accumulated depreciation		90,466,478	26,688,125	-	-
Net Book Value		627,393,709	228,736,875	-	-
OTHER ASSETS					
Brands and trademarks - net	15,34	16,293,750,000	-	-	-
Goodwill - net	16	3,257,762,649	3,301,985,671	3,390,431,516	3,478,877,561
Advances to suppliers	17	3,614,091,832	973,744,389	-	-
Construction in progress	2,18	2,693,877,752	1,812,626,941	341,677,644	66,585,920
Immature planting	2	1,344,996,027	1,297,199,055	1,360,765,272	1,995,785,825
Claims for tax refund	19,23	1,292,309,465	1,292,309,465	846,986,318	96,051,678
Deferred charges	2	922,739,362	-	-	-
Loans to officers and employees		848,463,003	414,607,865	42,119,210	34,639,716
Others		419,711,598	246,750,533	51,412,487	18,437,706
Total Other Assets		30,687,701,688	9,339,223,919	6,033,392,447	5,690,378,406
TOTAL ASSETS		Rp 223,111,023,705	Rp 124,474,952,446	Rp 46,146,383,015	Rp 45,554,464,813

See accompanying Notes to Consolidated Financial Statements
which are an integral part of the Consolidated Financial Statements.

P.T. SINAR MAS AGRO RESOURCES AND TECHNOLOGY CORPORATION
(Formerly P.T. Maskapai Perkebunan Sumcama Padang Halaban)
AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 1992, DECEMBER 31, 1991, 1990 AND 1989

LIABILITIES AND STOCKHOLDERS' EQUITY					
	Notes	June 30, 1992	December 31, 1991	December 31, 1990	December 31, 1989
CURRENT LIABILITIES					
Bank loans and overdraft	20,34	Rp 46,990,697,027	Rp 52,781,793,340	Rp 9,289,000,739	Rp 8,086,880,884
Accounts payable					
Trade	21	23,066,878,949	5,503,628,239	710,004,492	818,917,560
Others		614,999,150	573,615,582	332,189,919	242,639,386
Accrued expenses	22,35	2,258,956,610	4,688,086,522	645,929,507	350,131,900
Taxes payable	2,23	3,553,859,807	723,350,066	467,683,958	473,329,469
Current maturities of long-term debt:					
Bank loans	24	5,978,000,000	5,328,000,000	2,664,000,000	2,664,000,000
Obligations under capital lease	2,14	164,609,126	64,846,218	-	-
Total Current Liabilities		82,628,000,669	69,663,319,967	14,108,808,615	12,635,899,199
LONG-TERM DEBT - Net of current maturities:					
Bank loans	24	6,698,210,081	8,851,868,771	14,179,868,771	16,843,868,771
Obligations under capital lease	2,14	218,424,266	144,823,620	-	-
Total Long-Term Debt		6,916,634,347	8,996,692,391	14,179,868,771	16,843,868,771
DUE TO AFFILIATED COMPANIES	2,10	-	56,773,286	-	-
DUE TO RELATED PARTIES	2,11,34	1,970,747,278	1,503,284,809	231,852,471	265,350,106
DUE TO STOCKHOLDER	2,12	138,190,880	9,330,221,880	226,241,426	-
STOCKHOLDERS' EQUITY					
Capital stock - par value of					
Rp 1,000 in 1992, Rp 1,000,000 in 1991					
and Rp 1,814,417,647 in 1990 and 1989					
Authorized - 380,000,000 shares in 1992,					
200,000 shares in 1991 and 1 share in					
1990 and 1989					
Issued and fully paid-120,000,000 shares					
in 1992, 100,000 shares and 14,160					
shares in 1991 and 1 share in 1990					
and 1989	25	120,000,000,000	14,160,000,000	1,814,417,647	1,814,417,647
Revaluation increment in property,					
plant and equipment	2,13	-	-	5,345,312,575	5,345,312,575
Retained earnings		11,457,450,531	20,764,660,113	10,239,881,510	8,649,616,515
Total Stockholders' Equity		131,457,450,531	34,924,660,113	17,399,611,732	15,809,346,737
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		Rp 223,111,023,705	Rp 124,474,952,446	Rp 46,146,383,015	Rp 45,554,464,813

See accompanying Notes to Consolidated Financial Statements
which are an integral part of the Consolidated Financial Statements.

P.T. SINAR MAS AGRO RESOURCES AND TECHNOLOGY CORPORATION
(Formerly P.T. Maskapai Perkebunan Sumcama Padang Halaban)
AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 1992 AND
YEARS ENDED DECEMBER 31, 1991, 1990 AND 1989

	Notes	1992 (Six Months)	1991 (One Year)	1990 (One Year)	1989 (One Year)
NET SALES	2,26,34,35	Rp 213,736,711,951	Rp 48,560,115,272	Rp 23,005,290,191	Rp 23,011,147,727
COST OF GOODS SOLD	2,27,34,35	190,693,865,152	29,609,581,361	13,152,307,789	12,569,572,038
GROSS PROFIT		23,042,846,799	18,950,533,911	9,852,982,402	10,441,575,689
OPERATING EXPENSES					
Selling	2,28,36	4,002,966,040	1,530,004,136	387,747,450	215,166,959
General and administrative	2,28,35	2,818,631,530	2,800,704,375	2,494,915,262	1,363,779,290
Total Operating Expenses		6,821,597,570	4,330,708,511	2,882,662,712	1,578,946,249
INCOME FROM OPERATIONS		16,221,249,229	14,619,825,400	6,970,319,690	8,862,629,440
OTHER INCOME (CHARGES)					
Interest income		1,295,401,330	432,897,388	229,088,530	80,445,981
Equity in net income (loss) of affiliated companies - net	9	865,207,447 (	51,860,552)	-	-
Interest expense		(4,492,306,535)	(5,982,395,337)	(5,011,386,367)	(3,821,187,901)
Loss on foreign exchange and swap cost	2	(777,800,272)	(1,548,216,721)	(82,820,000)	(71,281,731)
Miscellaneous - net	29	1,656,127,519	424,980,448	496,061,404	581,308,073
Other Charges - Net		1,453,370,511	6,724,594,774	4,369,056,433	3,230,715,578
INCOME BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE		14,767,878,718	7,895,230,626	2,601,263,257	5,631,913,862
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	2,30	-	3,684,004,377	-	-
INCOME BEFORE PROVISION FOR INCOME TAX		14,767,878,718	11,579,235,003	2,601,263,257	5,631,913,862
PROVISION FOR INCOME TAX	2,23	4,075,088,300	1,054,456,400	1,010,998,262	2,181,268,663
NET INCOME	31	Rp 10,692,790,418	Rp 10,524,778,603	Rp 1,590,264,995	Rp 3,450,645,199
OPERATING PROFIT PER SHARE	2,32	Rp 141	Rp 450	Rp 3,842	Rp 4,885
NET INCOME PER SHARE	2,32	Rp 93	Rp 324	Rp 876	Rp 1,902

See accompanying Notes to Consolidated Financial Statements
which are an integral part of the Consolidated Financial Statements.

P.T. SINAR MAS AGRO RESOURCES AND TECHNOLOGY CORPORATION
(Formerly P.T. Maskapai Perkebunan Sumcama Padang Halaban)
AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS
FOR THE SIX MONTHS ENDED JUNE 30, 1992 AND
YEARS ENDED DECEMBER 31, 1991, 1990 AND 1989

	Notes	1992 (Six Months)	1991 (One Year)	1990 (One Year)	1989 (One Year)
RETAINED EARNINGS AT BEGINNING OF PERIOD		Rp 20,764,660,113	Rp 10,239,881,510	Rp 8,649,616,515	Rp 5,649,266,105
PRIOR PERIOD ADJUSTMENTS	33	-	-	-	(450,294,789)
NET INCOME	31	10,692,790,418	10,524,778,603	1,590,264,995	3,450,645,199
CASH DIVIDENDS	25	(12,160,000,000)	-	-	-
CAPITALIZATION OF RETAINED EARNINGS	25	(7,840,000,000)	-	-	-
RETAINED EARNINGS AT END OF PERIOD		Rp 11,457,450,531	Rp 20,764,660,113	Rp 10,239,881,510	Rp 8,649,616,515

See accompanying Notes to Consolidated Financial Statements
which are an integral part of the Consolidated Financial Statements.

P.T. SINAR MAS AGRO RESOURCES AND TECHNOLOGY CORPORATION
(Formerly P.T. Maskapai Perkebunan Sumcama Padang Halaban)
AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION
FOR THE SIX MONTHS ENDED JUNE 30, 1992 AND
YEARS ENDED DECEMBER 31, 1991, 1990 AND 1989

	1992 (Six Months)	1991 (One Year)	1990 (One Year)	1989 (One Year)
WORKING CAPITAL WAS PROVIDED FROM				
Operations:				
Net income	Rp 10,692,790,418	Rp 10,524,778,603	Rp 1,590,264,995	Rp 3,450,645,199
Add (deduct) items not affecting working capital:				
Depreciation:				
Property, plant and equipment	1,982,494,434	2,186,874,466	3,030,737,009	2,793,252,099
Equipment under capital lease	63,778,353	26,688,125	-	-
Amortization of brands and trademarks	206,250,000	-	-	-
Amortization of goodwill	44,223,022	88,445,845	88,446,045	58,964,030
Loss (gain) on sale of equipment	7,574,833 (	3,436,952) (	2,300,000)	418,139,503
Equity in net loss (income) of affiliated companies - net	(865,207,447)	51,860,552	-	-
Land improvement written off	-	445,811,625	-	2,725,137
Cumulative effect of change in accounting principle	-	(3,684,004,377)	-	-
Total from operations	12,131,903,613	9,637,017,887	4,707,148,049	6,723,725,968
Additional paid-up capital	90,000,000,000	7,000,269,778	-	-
Additional long-term debt	1,310,341,310	-	-	19,507,868,771
Decrease in due from stockholder	1,302,340,634	-	278,269,459	-
Increase in due to affiliated companies and related parties	410,689,183	1,328,205,624	-	-
Proceeds from sale of equipment	65,720,000	389,873,919	2,300,000	517,010,371
Decrease in immature planting	-	63,566,217	635,020,553	1,032,570,992
Increase in due to stockholder	-	9,103,980,454	226,241,426	-
Decrease in due from affiliated companies	-	-	-	818,692,659
Decrease in other assets	-	-	-	24,345,250
TOTAL WORKING CAPITAL PROVIDED	Rp 105,220,994,740	Rp 27,522,913,879	Rp 5,848,979,487	Rp 28,624,214,011

	1992 (Six Months)	1991 (One Year)	1990 (One Year)	1989 (One Year)
WORKING CAPITAL WAS USED FOR				
Additional investments in shares of stock	Rp 39,015,212,500	Rp 442,500,000	Rp -	Rp -
Purchase of brands and trademarks	16,500,000,000	-	-	-
Payment of cash dividends	12,160,000,000	-	-	-
Increase in property, plant and equipment	7,655,872,654	40,837,112,396	3,758,141,901	11,726,473,235
Increase in due from affiliated companies and related parties	3,581,623,582	1,994,167,639	897,929,924	695,805,644
Current maturities of long-term debt:				
Bank loans	3,314,000,000	5,328,000,000	2,664,000,000	2,664,000,000
Obligations under capital lease	128,528,776	64,846,218	-	-
Increase in advances to suppliers	2,640,347,443	973,744,389	-	-
Decrease in due to stockholder	1,192,031,000	-	-	-
Increase in deferred charges	922,739,362	-	-	-
Increase in construction in progress	881,250,811	1,470,949,297	275,091,724	66,585,920
Increase in loans to officers and employees	433,855,138	372,488,655	7,479,494	-
Payment of obligations under capital lease	260,305,765	45,755,162	-	-
Increase in other assets	172,961,065	195,338,046	32,974,781	-
Payment of long-term bank loans	150,000,000	-	-	-
Increase in immature planting	47,796,972	-	-	-
Increase in due from stockholder	-	1,302,340,634	-	278,269,459
Decrease in due to affiliated companies and related parties	-	-	33,497,635	67,593,360
Claims for tax refund	-	445,323,147	750,934,640	96,051,678
Excess of investment cost over net assets of consolidated subsidiaries allocated to property, plant and equipment	-	-	-	13,812,380,250
Goodwill paid for investments in subsidiary companies	-	-	-	3,537,841,591
Prior period adjustment	-	-	-	450,294,789
TOTAL WORKING CAPITAL USED	89,056,525,068	53,472,565,583	8,420,050,099	33,395,295,926
INCREASE (DECREASE) IN WORKING CAPITAL	Rp 16,164,469,672	(Rp 25,949,651,704)	(Rp 2,571,070,612)	(Rp 4,771,081,915)
TRANSACTIONS NOT AFFECTING WORKING CAPITAL				
Capitalization of due to stockholder	Rp 8,000,000,000	Rp -	Rp -	Rp -
Capitalization of retained earnings	Rp 7,840,000,000	Rp -	Rp -	Rp -
Acquisition of equipment under capital lease	Rp 462,435,187	Rp 255,425,000	Rp -	Rp -
Capitalization of revaluation increment in property, plant and equipment	Rp -	Rp 5,345,312,575	Rp -	Rp -

	1992 (Six Months)	1991 (One Year)	1990 (One Year)	1989 (One Year)
WORKING CAPITAL INCREASED (DECREASED) BY				
Cash on hand and in banks	Rp 3,384,523,176	Rp 1,162,906,777	Rp 341,693,721	(Rp 626,328,537)
Time deposits	(2,950,000,000)	3,150,000,000	(100,000,000)	1,450,000,000
Accounts receivable	16,157,013,620	11,767,303,002	(2,822,104,466)	1,730,983,149
Inventories	11,468,438,774	12,292,203,640	1,991,382,480	137,808,908
Prepaid taxes	445,572,610	1,140,690,553	-	-
Prepaid expenses	623,602,194	91,755,676	(509,132,931)	433,002,893
Bank loans and overdraft	5,791,096,313	(43,492,792,601)	(1,202,119,855)	(6,236,626,082)
Accounts payable	(17,604,634,278)	(5,035,049,410)	19,362,535	96,781,228
Accrued expenses	2,429,129,912	(4,042,157,015)	(295,797,607)	(314,532,054)
Taxes payable	(2,830,509,741)	(255,666,108)	5,645,511	1,221,828,580
Current maturities of long-term debt	(749,762,908)	(2,728,846,218)	-	(2,664,000,000)
INCREASE (DECREASE) IN WORKING CAPITAL	Rp 16,164,469,672	(Rp 25,949,651,704)	(Rp 2,571,070,612)	(Rp 4,771,081,915)

See accompanying Notes to Consolidated Financial Statements
which are an integral part of the Consolidated Financial Statements.

P.T. SINAR MAS AGRO RESOURCES AND TECHNOLOGY CORPORATION
(Formerly P.T. Maskapai Perkebunan Sumcama Padang Halaban)
AND SUBSIDIARY COMPANIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

P.T. Sinar Mas Agro Resources and Technology Corporation (the Company), formerly P.T. Maskapai Perkebunan Sumcama Padang Halaban, was established on June 18, 1962 based on the notarial deed No. 67 of Raden Kadiman. The deed of establishment was approved by the Ministry of Justice in its letter No. JA-5/115/3 dated August 29, 1963 and was published in the State Gazette No. 83 dated October 15, 1963. In 1970, the Company obtained approval from the State Ministry of Economy, Finance and Industry in its Decree No. KEP/41/MEKUIIN/7/1970 dated July 15, 1970 to change its status to a foreign investment company within the framework of the Foreign Investment Law No. 1 Year 1967. Subsequently, based on the Letter of Approval from the Investment Coordinating Board No. 06/V/1985 dated March 28, 1985, the Company changed its status from a foreign investment company to a domestic investment company.

The Company changed its name to P.T. Sinar Mas Agro Resources and Technology Corporation (abbreviated to P.T. SMART Corporation) based on the notarial deed No. 209 of Benny Kristianto SH dated September 10, 1991. The articles of association had been amended several times, most recently by notarial deed No. 102 of Imas Fatimah SH dated June 23, 1992 concerning the increase in authorized capital stock and par value per share (see Note 25).

Based on mutual agreement dated December 19, 1991, the Company took over the assets, liabilities and business of P.T. Mulyorejo Industrial Company as of December 28, 1991, as covered by notarial deed No. 782 of Benny Kristianto SH dated December 31, 1991.

Also, based on mutual agreement dated February 12, 1992 and as covered by notarial deed No. 129 of Benny Kristianto SH dated February 15, 1992, the Company took over the fixed assets, bank loan and business of P.T. Kunci Mas Wijaya as of February 29, 1992.

According to Article 2 of the Company's articles of association, the scope of activities of the Company comprises plantation exploitation, agriculture, refinery of plantation products and management services and research related to the business. The Company's products consist of crude palm oil (CPO), palm kernel (PK), tea and refined palm product such as olein, cooking oil and margarine. The Company is domiciled in Jakarta. The factory and plantation under the Company's plantation division are located in Labuhan Batu, North Sumatera, while the factory under the refinery division is located in Surabaya.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidated Financial Statements

The consolidated financial statements have been prepared using the historical cost basis of accounting, except for certain investments in shares of stock which are accounted for under the equity method (see Note 9) and certain property, plant and equipment which are stated at revalued amounts (see Note 13). The consolidated statements of changes in financial position have been prepared using the working capital concept.

Principles of Consolidation

The consolidated financial statements include the accounts of P.T. Sinar Mas Agro Resources and Technology Corporation and the following wholly-owned subsidiaries:

P.T. Maskapai Perkebunan Leidong West Indonesia
P.T. Perusahaan Perkebunan Panigoran
P.T. Maskapai Perkebunan Indorub Sumber Wadung
P.T. Perkebunan dan Perindustrian "Nirmala Agung"

P.T. Maskapai Perkebunan Leidong West Indonesia, P.T. Perusahaan Perkebunan Panigoran and P.T. Maskapai Perkebunan Indorub Sumber Wadung were acquired on May 10, 1989. The acquisitions were covered by notarial deeds No. 49, 51 and 53 of Benny Kristianto SH. P.T. Perkebunan dan Perindustrian "Nirmala Agung" was acquired on August 5, 1991, as covered by notarial deed No. 189 of the same notary.

All significant intercompany transactions have been eliminated.

The Company qualifies as a parent company under the definition stated in the Circular Letter No. SE-24/PM/1987 dated December 24, 1987 of the Head of Capital Market Supervisory Agency, which defines a parent company as an entity owning more than 50% of the equity/voting stock of another entity whether directly or indirectly through one or more other companies.

A subsidiary company, as defined by the same Circular Letter, is an entity which is more than 50% owned by another company, whether directly or indirectly.

Related Party and Affiliated Companies Transactions

Transactions with affiliated companies and related parties other than in the normal course of business are recorded under Due from or Due to Affiliated Companies, Related Parties and Stockholders.

In accordance with the Circular Letter No. SE-24/PM/1987 dated December 24, 1987 of the Head of Capital Market Supervisory Agency, affiliated companies and related parties are defined as follows:

- a. Affiliated companies are companies which have 20% to 50% ownership of the equity/voting stock, directly or indirectly, between them.

- b. Related parties are parties having direct or indirect relationship which influence the management of the company other than equity participation such as license agreement, family relationship and others.

Allowance for Doubtful Accounts

The Company provides allowance for doubtful accounts based on a review of the status of the individual receivable accounts at the end of the period. No allowance for doubtful accounts was provided in the accounts since it is the opinion of management that the outstanding receivables at the end of each period are collectible. Based on the Company's experience, uncollectible accounts were very minimal and will be directly written off in the accounts when incurred.

Inventories

Finished goods consisting of palm products and tea are stated at cost, determined by the average method on an annual basis.

Raw materials, spare parts and fuel, factory supplies, chemical and packing supplies are stated at cost, determined by the moving average method.

Prepaid Expenses

Prepaid expenses are allocated over the periods benefited.

Investments in Shares of Stock

Investments in shares of stock wherein the Company has ownership interest of 20% to 50% are stated at cost, adjusted for the Company's share in the net earnings or losses of the investee companies proportionate with the percentage of ownership of the Company (equity method). The difference between the cost of the Company's investment and its proportionate share in the underlying net assets of the investee companies at the date of acquisition is amortized on a straight-line basis over a 40-year period. Investments wherein the Company has an ownership interest of less than 20% are stated at cost.

Property, Plant and Equipment

Property, plant and equipment, except landrights, were revalued in accordance with the Ministry of Finance Decree No. 109/KMK.04/1979 dated March 27, 1979 and Government Regulation No. 45 year 1986 dated October 2, 1986. Landrights and acquisitions after September 12, 1986 are stated at cost.

Prior to 1991, property, plant and equipment, except mature planting, buildings and land improvements and bridges, were depreciated using the double-declining balance method at 25% and 50%. Mature planting, buildings and land improvements and bridges were depreciated using the straight-line method based on an estimated useful life of 20 years. Landrights are not being amortized, except for the appraisal increment on landrights related to the acquisition of subsidiaries by the Company (see Note 13).

Beginning 1991, depreciation is computed using the straight-line method based on the estimated useful lives of the assets as follows:

	Years -----
Mature planting	25 - 50
Land improvements and bridges	50
Buildings	20 - 50
Machinery and equipment	25
Transportation equipment	5 - 10
Office furniture and fixtures	10
Landrights are not being amortized, except for the appraisal increment on landrights related to the acquisition of subsidiaries by the Company (see Note 13).	

The change in the method of computing depreciation on certain property, plant and equipment was made to reflect a more realistic depreciation charge over the useful lives of the assets. The cumulative effect of the change in accounting principle is shown as a credit to 1991 operations.

The cost of maintenance and repairs is charged to income as incurred and pre-harvesting expenses is charged to production cost when the related plantation is considered mature; significant renewals and betterments are capitalized. When assets are retired or otherwise disposed of, their carrying values and the related accumulated depreciation are removed from the accounts and any resulting gains or losses are credited or charged to income of the current period.

A palm tree plantation is considered mature when sixty (60) percent of the total trees per block have at least two (2) circle palm fruit bunches that are ripe and the fruit falls to the ground or the average weight of each bunch is more than three (3) kilograms. A tea plantation is mature if the tea plants are three years old.

Leases

Under Indonesian Accounting Principles Statement No. 6 "Special Standard for Lease Accounting" issued by the Indonesian institute of Accountants which took effect starting January 1, 1991, lease transactions are accounted for under the capital lease method if the following criteria are met:

- a. The lessee has an option to purchase the leased assets at the end of the lease period at a price mutually agreed upon by the parties at the commencement of the lease agreement.
- b. Total periodic payments plus residual value fully cover the acquisition cost of the leased capital assets plus interest thereon which is the lessor's profit (full payout lease).
- c. Lease period covers a minimum of two (2) years.

Leases that do not meet any of the aforementioned criteria are accounted for under the operating lease method.

Prior to 1991, all leases were accounted for under the operating method. Under Statement No. 6, restatement of prior years' financial statements is not required.

Assets under capital lease are presented as "Equipment Under Capital Lease" in the accompanying consolidated balance sheets based on the present value of the minimum lease payments at the beginning of the lease term plus residual value (option price) to be paid at the end of the lease period. Depreciation of equipment under capital lease (mainly motor vehicles) is computed using the straight-line method based on an estimated useful life of 5 years.

Construction in Progress

Construction in progress is stated at cost. The accumulated cost will be classified into the respective property, plant and equipment accounts at the time the construction is completed and the asset is ready to be used in operations.

Immature Planting

Immature planting represents the cost of planting and maintenance of the plantation up to the time the trees are harvestable. Generally, palm oil and tea plantations are considered mature after three years from planting.

Deferred Charges

Significant expenses which benefit future periods (mainly expenses for public offering of shares) are capitalized and amortized over the beneficial periods (generally five years) using the straight-line method.

Revenue and Expense Recognition

Revenue from sales is generally recognized when the product is delivered to the customer and the invoice has been issued. In the case of bulk refined bleached deodorized olein, revenue is recognized upon issuance of delivery order. Expenses are recorded on the accrual basis.

Foreign Currency Transactions and Balances

Transactions involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At the balance sheet date, assets and liabilities denominated in foreign currency are adjusted to reflect the rate of exchange prevailing at such date (Rp 2,033 to US\$ 1 as of June 30, 1992, Rp 1,992, Rp 1,901 and Rp 1,800 to US\$ 1 as of December 31, 1991, 1990 and 1989, respectively), and the resulting gains or losses are credited or charged to income of the current period.

Provision for Income Tax

Provision for income tax is determined on the basis of estimated taxable income for the period. No deferred tax is required to be provided for the timing differences in the recognition of income and expenses for financial reporting and income tax purposes.

Operating Profit and Net Income Per Share

Operating profit and net income per share are computed based on the weighted average number of shares outstanding at the balance sheet date.

3. CASH ON HAND AND IN BANKS

This account consists of the following:

	June 30, 1992	December 31, 1991	December 31, 1990	December 31, 1989
Cash on hand	Rp 88,825,271	Rp 52,839,410	Rp 13,027,478	Rp 5,078,526
Cash in banks				
Bank Internasional Indonesia	3,510,961,044	1,221,199,873	704,632,516	212,911,195
Bank Bumi Daya	1,035,646,157	1,727,657	-	-
Bank Dagang Negara	443,669,686	264,941,392	170,430,121	199,928,349
Bank Negara Indonesia	234,973,492	219,678,367	5,973,803	84,697,322
Bank Rakyat Indonesia	58,333,210	56,097,605	-	-
The Chase Manhattan Bank, N.A.	23,900,893	15,263,792	-	-
Bank Central Asia	17,278,877	2,060,324	-	11,052,490
American Express Bank	16,496,317	50,835,544	-	-
Bank of America	8,983,070	48,575,141	-	-
Bank Ekspor Impor Indonesia	3,777,455	-	-	-
Sanwa Indonesia Bank	3,490,069	2,517,408	-	-
Bank Sakura Swadarma	2,478,131	-	-	-
Bank Tiara Asia	1,897,095	95,556	-	-
Bank Namura Internusa	789,263	-	-	-
Citibank, N.A.	-	124,389,222	10,006,159	48,708,474
Bank LTCB Central Asia	-	6,755,563	-	-
Total	Rp 5,451,500,030	Rp 2,066,976,854	Rp 904,070,077	Rp 562,376,356

The Company's bank account with Bank Internasional Indonesia, a related party, earns interest at rates ranging from 6% to 12% per annum which are similar as those with unrelated parties.

4. TIME DEPOSITS

This represents short-term time deposits with the following:

	June 30, 1992	December 31, 1991	December 31, 1990	December 31, 1989
Bank Alfa, interest at 24% a year	Rp 1,250,000,000	Rp -	Rp -	Rp -
Bank Internasional Indonesia, interest at 17%-24% a year in 1992, 24% a year in 1991, 16%-19% a year in 1990 and 1989	200,000,000	2,900,000,000	1,350,000,000	1,450,000,000
Bank Tiara Asia, interest at 23% a year in 1992 and 26% a year in 1991	100,000,000	300,000,000	-	-
Bank Putera Sukapura, interest at 26% a year	-	1,300,000,000	-	-
Total	Rp 1,550,000,000	Rp 4,500,000,000	Rp 1,350,000,000	Rp 1,450,000,000

The Company's time deposit with Bank Internasional Indonesia earns normal interest rates as those with unrelated parties.

5. ACCOUNTS RECEIVABLE - TRADE

The details of this account are as follows:

	June 30, 1992	December 31, 1991	December 31, 1990	December 31, 1989
Customers' accounts	Rp 24,579,650,201	Rp 8,623,734,375	Rp 22,743,185	Rp 13,612,500
Postdated checks	2,472,092,838	3,440,330,635	-	-
Related parties	1,817,900,000	1,406,174,564	2,593,378,565	5,458,310,086
Total	Rp 28,869,643,039	Rp 13,470,239,574	Rp 2,616,121,750	Rp 5,471,922,586

In the normal course of business, the Company has sales transactions with those companies which are defined as related parties. The transactions were made under similar terms and conditions as those with unrelated parties. Sales made to related parties ranged from 15% to 21% of total sales in 1992 and 1991 (100% in 1990 and 1989).

No allowance for doubtful accounts is provided since the management ascertains that all receivables are fully collectible.

6. ACCOUNTS RECEIVABLE - OTHERS

This account consists of the following:

	June 30, 1992	December 31, 1991	December 31, 1990	December 31, 1989
Management fee receivable	Rp 1,137,778,301	Rp -	Rp -	Rp -
P.T. Salim Indo Plantation	422,972,255	421,212,255	-	-
P.T. Purimas Sasmita	139,551,488	180,560,750	-	-
Deposit on receivable factoring	-	207,297,638	-	-
P.T. Sinar Mas Inti Sejahtera	-	42,719,433	-	-
P.T. Caraka Catur Wahana	-	-	21,154,260	11,752,340
Others (amounts below Rp 20,000,000 each)	120,661,146	211,562,959	129,013,597	104,719,147
Total	Rp 1,820,963,190	Rp 1,063,353,035	Rp 150,167,857	Rp 116,471,487

The management fee receivable arose from services rendered to related parties and affiliated companies under management agreements (see Note 34).

7. INVENTORIES

Inventories consist of the following:

	June 30, 1992	December 31, 1991	December 31, 1990	December 31, 1989
Finished goods				
Plantation division				
- Palm products	Rp 481,953,455	Rp 897,282,121	Rp 1,595,554,248	Rp 796,233,424
- Tea	892,910,214	999,909,193	1,339,919,758	232,074,605
Refinery division	1,288,623,560	2,770,806,820	-	-
Raw materials	11,354,701,533	4,585,011,521	-	-
Spare parts and fuel	2,728,043,705	2,019,061,668	718,064,919	678,843,414
Chemical and packing supplies	2,014,143,626	1,789,615,409	485,760,092	440,765,094
Goods in transit - crude palm oil and olein	8,747,798,766	2,349,177,270	-	-
Others	391,766,572	1,020,638,655	-	-
Total	Rp 27,899,941,431	Rp 16,431,502,657	Rp 4,139,299,017	Rp 2,147,916,537

Certain inventories are used as collateral under fiduciary transfer in connection with the credit facilities obtained from certain banks (see Note 20).

8. PREPAID TAXES

This account mainly represents prepaid value added tax.

9. INVESTMENTS IN SHARES OF STOCK

Investments in shares of stock consist of the following:

	Percentage of Ownership	June 30, 1992	December 31, 1991
At equity :			
P.T. Grahama's Indo Jaya	25%		
Acquisition cost		Rp 62,500,000	Rp 62,500,000
Equity in net loss			
At beginning of period		(51,860,552)	-
Current period		(10,639,448)	(51,860,552)
At end of period		(62,500,000)	(51,860,552)
Net carrying value		-	10,639,448
P.T. Tapan Naden	49%		
Acquisition cost		17,150,000,000	-
Equity in net income			
Current period		1,117,208,696	-
Amortization of goodwill			
Current period		(195,890,091)	-
Net carrying value		18,071,318,605	-
P.T. Sinar Meadow International Indonesia	50%		
Acquisition cost		17,838,512,500	-
Amortization of goodwill			
Current period		(45,246,241)	-
Net carrying value		17,793,266,259	-
P.T. Sinar Pure Foods International	50%		
Acquisition cost		2,493,200,000	-
Amortization of goodwill			
Current period		(225,469)	-
Net carrying value		2,492,974,531	-
Sub total		38,357,559,395	10,639,448

	Percentage of Ownership	June 30, 1992	December 31, 1991
At cost :			
P.T. Inti Gerakmaju	49%	Rp 906,500,000	Rp -
P.T. Global Agronusa Indonesia	19%	1,007,000,000	380,000,000
Sub total		1,913,500,000	380,000,000
Total		Rp 40,271,059,395	Rp 390,639,448

The investment in P.T. Grahamas Indojoya was made on November 22, 1991, as covered by notarial deed No. 247 of Benny Kristianto SH. As of June 30, 1992, the financial statements of this affiliated company show an accumulated loss of Rp 815,940,267 of which the Company's 25% share amounted to Rp 203,985,067. Therefore, the net carrying value of the investment in this affiliated company was written down to zero, leaving an unabsorbed loss of Rp 141,485,067.

The investment in P.T. Tapan Nadenggan was made on January 1, 1992, as covered by notarial deed No. 110 of Benny Kristianto SH dated February 15, 1992, at a total cost of Rp 17,150,000,000, of which Rp 15,671,207,273 represents the difference between the cost of such investment and the proportionate share in the underlying net assets of the investee company at the date of acquisition. This amount is being amortized over a period of forty years.

The investment in P.T. Sinar Meadow International Indonesia (SMII) was acquired on March 30, 1992 based on the notarial deed No. 283 of Benny Kristianto SH at a cost of Rp 12,000,000,000 (included stockholder loan amounted to Rp 1,008,500,000). On May 8, 1992, the Company made additional investment amounting to Rp 6,847,012,500 based on the notarial deed No. 80 of Benny Kristianto SH. Total investment in this subsidiary as of June 30, 1992 amounted to Rp 17,838,512,500. The excess of cost of the investment over the underlying net assets at the date of acquisition (goodwill), amounting to Rp 7,239,398,609 is being amortized over a period of forty years. As of June 30, 1992, SMII is still in the pre-operating stage.

The investment in P.T. Sinar Pure Foods International (SPFI) was acquired on March 30, 1992 based on the notarial deed No. 284 of Benny Kristianto SH at a cost of Rp 3,300,000,000 (included stockholder loan amounted to Rp 2,784,925,000). The excess of cost of the investment over the underlying net assets at the date of acquisition (goodwill) amounting to Rp 36,075,000 is being amortized over a period of forty years. As of June 30, 1992, SPFI is still in the pre-operating stage.

The investments in P.T. Inti Gerakmaju and P.T. Global Agronusa Indonesia were made on January 28, 1992 and November 22, 1991, respectively, as covered by notarial deeds No. 319 and 246 of Benny Kristianto SH. As of June 30, 1992, P.T. Inti Gerakmaju is still in the pre-operating stage.

The investments in the above companies were made on the basis of strategic management, economic and rational considerations.

10. ACCOUNTS WITH AFFILIATED COMPANIES

Transactions with affiliated companies consist of non-interest bearing loans, various credit and debit advices.

The balances of due from/due to affiliated companies are as follows:

	June 30, 1992	December 31, 1991
	-----	-----
Due from :		
P.T. Sinar Meadow International Indonesia	Rp 1,849,167,584	Rp -
P.T. Sinar Pure Foods International	813,200,000	-
P.T. Tapan Nadenggan	187,235,823	-
P.T. Grahamas Indojaya	145,917,337	-
P.T. Global Agronusa Indonesia	32,334,926	1,340,751
P.T. Inti Gerak Maju	4,988,532	-
	-----	-----
Total	Rp 3,032,844,202	Rp 1,340,751
	=====	=====
Due to :		
P.T. Grahamas Indojaya	Rp -	Rp 56,773,286
	=====	=====

11. ACCOUNTS WITH RELATED PARTIES

This account represents the balances of current accounts with the following related parties:

	June 30, 1992	December 31, 1991	December 31, 1990	December 31, 1989
	-----	-----	-----	-----
Due from :				
P.T. Istana Mutiara Mas	Rp 3,164,335,616	Rp 3,100,000,000	Rp -	Rp -
P.T. Ivo Mas Perkasa	287,404,871	-	-	-
P.T. Sinar Kencana Inti Perkasa	270,085,140	120,978,979	22,920,416	31,323,782
P.T. Ivo Mas Tunggal	252,700,481	51,215,253	489,764,942	195,788,407
P.T. Perkasa Nusa Guna	60,525,616	-	-	-
P.T. Numbing Jaya	24,859,482	-	-	-
P.T. Bersama Sejahtera Sakti	21,246,546	23,036,989	12,887,612	31,342,708
P.T. Purimas Sasmita	-	136,966,161	-	-
P.T. Sinar Meadow International Indonesia	-	111,610,584	-	-
P.T. Alpha Tanjung Tanki Indonesia	-	30,000,000	-	-
P.T. Serikat Putra	-	-	414,154,523	252,473,272
P.T. Tapan Nadenggan	-	-	218,996,430	-
P.T. Tunggal Mitra Plantations	-	-	143,310,913	12,347,211

	June 30, 1992	December 31, 1991	December 31, 1990	December 31, 1989
P.T. Gunung Mas Raya	Rp -	Rp -	Rp 71,638,548	Rp 36,858,650
P.T. Inti Salim Corpora	-	-	62,161,891	-
P.T. Tunggal Perkasa Plantations	-	-	42,101,416	74,199,936
P.T. Lahan Tani Sakti	-	-	36,575,109	-
P.T. Bina Sains Corporation	-	-	25,000,000	-
P.T. Satya Kisma Usaha	-	-	-	56,815,641
Others (amounts below Rp 10,000,000 each)	55,524,835	12,754,490	54,223,768	4,656,037
Total	Rp 4,136,682,587	Rp 3,586,562,456	Rp 1,593,735,568	Rp 695,805,644
Due to :				
P.T. Mulyorejo Industrial Company	Rp 1,335,406,275	Rp 741,073,495	Rp 82,330,603	Rp -
P.T. Purimas Sasmita	512,410,579	-	-	-
P.T. Satya Kisma Usaha	120,868,401	125,102,716	-	-
P.T. Sinar Mas Inti Sejahtera	-	156,565,756	49,521,868	-
P.T. Sinar Mas Tunggal	-	380,000,000	-	-
P.T. Tapan Nadenggan	-	50,558,700	-	23,118,999
P.T. Inti Gerakmaju	-	20,080,236	-	-
P.T. Cibaliung Tunggal Plantations	-	-	100,000,000	100,000,000
P.T. Lahan Tani Sakti	-	-	-	142,231,107
Others	2,062,023	29,903,906	-	-
Total	Rp 1,970,747,278	Rp 1,503,284,809	Rp 231,852,471	Rp 265,350,106

Due from P.T. Istana Mutiara Mas represents a loan given to the company with interest at 25.25% per annum. Amounts due from other related parties arose from non-interest bearing transactions.

12. DUE FROM AND DUE TO STOCKHOLDER

These accounts consist of:

	June 30, 1992	December 31, 1991	December 31, 1990	December 31, 1989
Due from:				
P.T. Sadang Mas	Rp -	Rp 1,302,340,634	Rp -	Rp 278,269,459
Due to:				
P.T. Supra Veritas	Rp 138,190,880	Rp 9,330,221,880	Rp -	Rp -
P.T. Sadang Mas	-	-	226,241,426	-
Total	Rp 138,190,880	Rp 9,330,221,880	Rp 226,241,426	Rp -

The receivable balance represents advances to P.T. Sadang Mas. The account due to P.T. Supra Veritas represents non-interest loans used to finance equity acquisitions in 1991.

13. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

	June 30, 1992	December 31, 1991	December 31, 1990	December 31, 1989
<u>Cost:</u>				
Mature planting	Rp 36,005,032,001	Rp 35,860,423,147	Rp 29,385,692,482	Rp 28,194,499,486
Machinery and equipment	36,330,249,789	33,507,434,462	14,304,261,404	13,507,299,322
Buildings	13,301,810,330	11,978,648,185	7,564,650,900	7,015,497,214
Landrights	9,781,788,596	8,297,955,902	3,343,191,682	3,343,191,682
Transportation equipment	6,411,783,224	6,020,121,665	2,838,734,679	2,283,288,867
Office furniture and fixtures	3,941,033,055	2,708,187,911	910,674,713	824,690,399
Land improvements and bridges	2,345,683,656	2,176,234,423	2,212,810,755	1,678,725,059
Total	108,117,380,651	100,549,005,695	60,560,016,615	56,847,192,029
<u>Accumulated depreciation:</u>				
Mature planting	14,324,751,899	13,931,223,337	13,323,172,964	12,357,676,347
Machinery and equipment	9,044,357,852	8,576,923,962	11,220,323,171	10,391,986,034
Buildings	3,370,745,536	3,134,957,066	2,812,089,366	2,433,872,129
Landrights	532,962,844	447,401,043	278,599,307	111,439,723
Transportation equipment	2,227,074,405	1,775,374,325	1,911,252,651	1,527,266,132
Office furniture and fixtures	1,348,659,277	1,029,668,673	867,364,177	715,390,628
Land improvements and bridges	886,304,643	871,016,481	866,767,886	756,518,835
Total	31,734,856,456	29,766,564,887	31,279,569,522	28,294,149,828
<u>Net Book Value:</u>				
Mature planting	21,680,280,102	21,929,199,810	16,062,519,518	15,836,823,139
Machinery and equipment	27,285,891,937	24,930,510,500	3,083,938,233	3,115,313,288
Buildings	9,931,064,794	8,843,691,119	4,752,561,534	4,581,625,085
Landrights	9,248,825,752	7,850,554,859	3,064,592,375	3,231,751,959
Transportation equipment	4,184,708,819	4,244,747,340	927,482,028	756,022,735
Office furniture and fixtures	2,592,373,778	1,678,519,238	43,310,536	109,299,771
Land improvements and bridges	1,459,379,013	1,305,217,942	1,346,042,869	922,206,224
Total	Rp 76,382,524,195	Rp 70,782,440,808	Rp 29,280,447,093	Rp 28,553,042,201

The Company and its subsidiaries had its property, plant and equipment revalued in January 1979 and 1987, in accordance with the Ministry of Finance Decree No. 109/KMK.04/1979 dated March 27, 1979 and Government Regulation No. 45 year 1986 dated October 2, 1986, resulting in a total revaluation increment of Rp 7,515,344,462, of which Rp 2,170,031,887 pertains to property, plant and equipment of consolidated subsidiaries. The total revaluation increment was approved by the tax authorities and transferred to capital stock of the Company and subsidiaries in 1991.

For consolidation purposes, certain property, plant and equipment of the subsidiaries are stated at appraised values determined at the time of acquisition of such subsidiaries by the Company. The details of the excess of appraised values over book values by type of property are as follows:

	Amount
Mature planting	Rp 8,736,814,477
Landrights	3,343,191,682
Buildings	839,984,350
Machinery and equipment	580,670,886
Immature planting	209,567,699
Transportation equipment	89,101,599
Land improvements and bridges	13,049,557
Total	Rp 13,812,380,250

Depreciation charged to operations amounted to Rp 1,982,494,434 for the six months ended June 30, 1992, Rp 2,186,874,466, Rp 3,030,737,009 and Rp 2,793,252,099 in 1991, 1990 and 1989, respectively.

Property, plant, and equipment of the Company and its subsidiaries are used as collateral to certain bank loans and long-term debt (see Notes 20 and 24).

14. EQUIPMENT UNDER CAPITAL LEASE

The Company and its subsidiaries have lease commitments principally covering motor vehicles expiring on various dates with the option to purchase the leased assets at the end of the lease terms. Future minimum rental payments required under these lease agreements as of June 30, 1992 are as follows:

Period Ending June 30	Amount
1993	Rp 164,609,126
1994	218,424,266
Total	Rp 383,033,392

15. BRANDS AND TRADEMARKS

This account represents eight (8) product brands and trademarks (Filma, Obor, Menara Eiffel, Palmboom, Kunci Mas, Paloma, Pusaka, Palmvita) for a total cost of Rp 16,500,000,000. The cost is being amortized over a period of forty years on a straight-line basis. Amortization charged to operations amounted to Rp 206,250,000 for the six months ended June 30, 1992.

16. GOODWILL

This account represents the excess of cost in acquiring P.T. Maskapai Perkebunan Leidong West Indonesia amounting to Rp 5,191,313,839 over the underlying net assets amounting to Rp 1,653,472,048 after revaluing the investee's property, plant and equipment resulting in increased value by Rp 1,129,997,545, which is being amortized on a straight-line basis over forty years. Amortization charged to operations amounted to Rp 44,223,022 for the six months ended June 30, 1992, Rp 88,445,845, Rp 88,446,045 and Rp 58,964,030 in 1991, 1990 and 1989, respectively.

17. ADVANCES TO SUPPLIERS

This account represents advances to suppliers for importations of machinery and spare parts and purchase of fixed assets.

18. CONSTRUCTION IN PROGRESS

Construction in progress consists of the following:

	June 30, 1992	December 31, 1991	December 31, 1990	December 31, 1989
Medan project construction	Rp 2,487,895,281	Rp 1,668,695,149	Rp -	Rp -
Construction of bridges and buildings in estate	117,292,908	102,060,450	341,677,644	66,585,920
Others	88,689,563	41,871,342	-	-
Total	Rp 2,693,877,752	Rp 1,812,626,941	Rp 341,677,644	Rp 66,585,920

19. CLAIMS FOR TAX REFUND

This account represents claims for overpayment of corporate income tax for the following years:

	June 30, 1992	December 31, 1991	December 31, 1990	December 31, 1989
1973-1979	Rp -	Rp -	Rp -	Rp 36,373,558
1985	49,650,000	49,650,000	49,650,000	49,650,000
1986	96,250	96,250	96,250	96,250
1987	-	-	-	1,903,872
1988	-	-	7,822,750	7,957,219
1989	-	-	-	70,779
1990	789,417,318	789,417,318	789,417,318	-
1991	453,145,897	453,145,897	-	-
Total	Rp 1,292,309,465	Rp 1,292,309,465	Rp 846,986,318	Rp 96,051,678

Claims for tax refund pertaining to 1985 is still collectible based on the decision letter of the tax office which was issued in 1988.

20. BANK LOANS AND OVERDRAFT

Bank loans and overdraft consist of short-term credit facilities with the following:

	June 30, 1992	December 31, 1991	December 31, 1990	December 31, 1989
<u>Import facility</u>				
American Express Bank, interest rate at 9.4%-9.69% in 1992 and 9%-9.75% in 1991	Rp 19,668,563,450	Rp 9,612,774,480	Rp -	Rp -
Bank Sakura Swadharma, interest rate at 6.0625%-6.44% in 1992 and 6.4375% in 1991	8,132,000,000	7,968,000,000	-	-
The Chase Manhattan Bank, N.A., interest rate at 8.72%-9.5% in 1992 and 8.94% in 1991	6,667,223,500	9,621,360,000	-	-
Bank of America, interest rate at 8%-8.56% in 1992 and 8.5%-8.75% in 1991	3,476,104,720	6,103,408,320	-	-
<u>Revolving credit</u>				
Bank Bumi Daya, interest rate at 22%-25% in 1992 and 25%-28% in 1991	4,202,584,093	7,755,176,170	-	-
Sanwa Indonesia Bank, interest rate at 2%-2.5% over Sibor in 1992, 2% over Sibor in 1991	3,750,793,515	3,675,150,360	-	-
Bank Internasional Indonesia, interest rate at 26% in 1992, 22%-28% in 1991 and 18%-20% in 1990 and 1989	300,000,000	7,650,000,000	500,000,000	1,800,000,000
Bank Tiara Asia, interest rate at 23.25% in 1992 and 24.25% in 1991	202,911,548	200,000,000	-	-
The Sanwa Bank Limited, Singapore, interest rate at 8.5625%-8.8125% in 1990 and 8.5625%-9.4375% in 1989	-	-	1,558,820,000	1,476,000,000
<u>Overdraft</u>				
Bank Namura Internusa, interest rate at 23.25%	412,405,992	-	-	-
Bank Industri, interest rate at 28% in 1992 and 31 % in 1991	178,110,209	186,155,565	-	-
Bank Internasional Indonesia, interest rate at 30%	-	9,768,445	-	39,890,946
Bank Central Asia, interest rate at 18.6% in 1990 and 18%-25% in 1989	-	-	7,220,936,581	4,362,437,356

	June 30, 1992	December 31, 1991	December 31, 1990	December 31, 1989
Export facility Bank Negara Indonesia, interest rate at 14%	Rp -	Rp -	Rp 9,244,158	Rp 408,552,582
Total	Rp 46,990,697,027	Rp 52,781,793,340	Rp 9,289,000,739	Rp 8,086,880,884

- a. The credit facility obtained from American Express Bank for import and local purchases has a credit limit of US\$ 10,000,000 and is covered by fiduciary assignment of accounts receivable and transfer of inventories and personal guarantees and corporate guarantee from P.T. Supra Veritas.
- b. The working capital financing facility obtained from Bank Sakura Swadharma with a credit limit of US\$ 4,000,000 is collateralized by a fiduciary transfer of inventories, assignment of accounts receivable and corporate guarantees issued by P.T. Supra Veritas, P.T. Sinar Mas Tunggal and P.T. Mulyorejo Industrial Co. and personal guarantees.
- c. The Company has letters of credit facility with The Chase Manhattan Bank, N.A., with a credit limit of US\$ 10,000,000 and is collateralized by a fiduciary transfer of inventories and personal guarantees.
- d. The import financing facility from Bank of America with a credit limit of US\$ 2,500,000 is collateralized by personal guarantees and cross-continuing guarantees by P.T. Mulyorejo Industrial Co. and P.T. Ivo Mas Tunggal.
- e. The loan from Bank Bumi Daya represents drawdowns from a credit facility with a maximum credit limit of Rp 11,667,000,000. The loan is collateralized by the Company's landrights and building at Desa Rungkut Kidul, Surabaya, machinery and equipment, finished goods and raw materials inventory at Rungkut Industri Raya 19, Surabaya.
- f. The loan from Sanwa Indonesia Bank with a credit limit of US\$ 2,000,000 in 1992 and 1991 is secured by personal guarantees and corporate guarantees from P.T. Sinar Mas Tunggal and P.T. Supra Veritas.
- g. The loan from Bank Internasional Indonesia is covered by promissory notes issued by subsidiary companies, namely, P.T. Maskapai Perkebunan Indorub Sumber Wadung and P.T. Perkebunan dan Perindustrian "Nirmala Agung" and personal guarantees. The loan was made at normal interest rate as those with unrelated parties.
- h. The loan from Bank Tiara Asia is covered by promissory notes issued by subsidiary companies P.T. Maskapai Perkebunan Indorub Sumber Wadung in 1992 and by P.T. Maskapai Perkebunan Leidong West Indonesia in 1991.

- i. The loan from The Sanwa Bank Limited, Singapore with a credit limit of US\$ 820,000 in 1990 and 1989 is collateralized by standby letters of credit issued by Citibank N.A.
- j. The overdraft facility with Bank Namura Internusa has maximum amount of Rp 500,000,000 and is collateralized by promissory note issued by P.T. Perkebunan dan Perindustrian "Nirmala Agung", a subsidiary company.
- k. The overdraft facility with Bank Industri has a maximum amount of Rp 200,000,000 and is collateralized by promissory notes issued by P.T. Maskapai Perkebunan Indorub Sumber Wadung, a subsidiary company.
- l. The overdraft facility with Bank Central Asia has a maximum amount of Rp 7,500,000,000 in 1990 and Rp 6,871,000,000 in 1989 and is collateralized by the Company's finished goods inventory. Such overdraft was made at normal interest rate as those with unrelated parties.
- m. The export credit facility with Bank Negara Indonesia has credit limit of Rp 428,000,000 and is collateralized by tea inventory and property, plant and equipment of P.T. Maskapai Perkebunan Indorub Sumber Wadung, a subsidiary company.

21. ACCOUNTS PAYABLE - TRADE

This account consists of the following liabilities:

	June 30, 1992	December 31, 1991	December 31, 1990	December 31, 1989
Suppliers	Rp 15,581,254,063	Rp 3,116,024,831	Rp 710,004,492	Rp 818,917,560
Related parties	7,476,248,418	700,162,932	-	-
Postdated checks	9,376,468	884,265,946	-	-
Letters of credit for importation of machinery	-	803,174,530	-	-
Total	Rp 23,066,878,949	Rp 5,503,628,239	Rp 710,004,492	Rp 818,917,560

In normal course of business, the Company entered into purchase transactions with those companies which are defined as related parties. The transactions were made under similar terms and conditions as those with unrelated parties. Total purchases made with related parties approximate 57%.

22. ACCRUED EXPENSES

Accruals for expenses consist of the following:

	June 30, 1992	December 31, 1991	December 31, 1990	December 31, 1989
Salaries, wages and employees' benefits	Rp 397,118,548	Rp 214,193,192	Rp 157,422,076	Rp 111,129,672
Capital stock issuance cost	388,580,000	-	-	-
Bonus	365,920,860	278,673,750	-	-
Marketing fees	236,603,390	-	-	-

	June 30, 1992	December 31, 1991	December 31, 1990	December 31, 1989
Interest	Rp 226,068,136	Rp 250,487,050	Rp 63,504,009	Rp 61,937,614
Professional fees	185,200,500	106,865,000	313,930,986	161,041,163
Printing cost	101,992,000	-	-	-
Sales and purchase commissions	57,820,822	634,556,685	71,656,448	-
Medical	36,730,695	-	-	-
Management fees	17,269,800	117,854,095	-	-
Transportation	2,286,274	-	-	-
Swap cost	-	1,966,830,460	-	-
Promotions	-	744,221,020	-	-
Others	243,365,585	374,405,270	39,415,988	16,023,451
Total	Rp 2,258,956,610	Rp 4,688,086,522	Rp 645,929,507	Rp 350,131,900

23. TAXES PAYABLE

Taxes payable consist of :

	June 30, 1992	December 31, 1991	December 31, 1990	December 31, 1989
Estimated income tax payable	Rp 3,342,545,874	Rp 28,258,383	Rp -	Rp 318,585,881
Other taxes payable				
Income tax				
Article 21	92,640,538	131,127,796	66,262,411	43,822,106
Article 23	11,920,278	4,137,500	12,412,500	4,150,000
Article 25	91,438,480	453,478,439	103,152,857	23,312,250
Value added tax	2,428,297	2,758,346	221,039,696	82,343,092
Property tax	12,886,340	103,589,602	63,700,354	-
MPS/MPO - 1979	-	-	1,116,140	1,116,140
Total	Rp 3,553,859,807	Rp 723,350,066	Rp 467,683,958	Rp 473,329,469

A reconciliation between income before provision for income tax, as shown in the consolidated statements of income, and estimated taxable income for the six months ended June 30, 1992 and years ended December 31, 1991, 1990 and 1989 is as follows :

	June 30, 1992 (Six Months)	December 31, 1991 (One Year)	December 31, 1990 (One Year)	December 31, 1989 (One Year)
Income before provision for income tax per consolidated statements of income	Rp 14,767,878,718	Rp 11,579,235,003	Rp 2,601,263,257	Rp 5,631,913,862
Income of consolidated subsidiaries before provision for income tax	(2,129,276,245)	(1,786,757,956)	(934,189,205)	(910,975,402)

	June 30, 1992 (Six Months)	December 31, 1991 (One Year)	December 31, 1990 (One Year)	December 31, 1989 (One Year)
Equity in net (income) loss of affiliated companies - net	(Rp 865,207,447)	Rp 51,860,552	Rp -	Rp -
Income before provision for income tax applicable to the Company	11,773,395,026	9,844,337,599	1,667,074,052	4,720,938,460
Timing differences				
Depreciation :				
Property, plant and equipment	(2,091,037,832)	(5,095,364,415)	(205,160,878)	235,206,059
Equipment under capital lease	52,990,103	10,668,750	-	-
Amortization of brands and trademarks	(618,750,000)	-	-	-
Rent expense	(223,446,310)	(28,236,750)	-	-
Interest expense on lease equipment	56,810,709	16,962,301	-	-
Gain (loss) on sale of equipment	7,574,833	(2,186,952)	-	(235,721,644)
Cumulative effect of change in accounting principle	-	(3,085,351,201)	-	-
Permanent differences				
Non-deductible expenses				
Entertainment	123,180,052	22,908,546	847,425	1,427,440
Rent expense	90,172,480	47,406,750	-	-
Salaries, wages and benefits in kind	54,342,810	121,743,733	141,573,030	-
Tax penalties	-	48,409,746	20,456,660	-
Office consumption expenses	-	17,474,016	26,716,593	-
Donations	-	-	14,476,509	-
Non-taxable income				
Interest income on time deposits already subjected to final tax	-	(7,819,031)	(6,760,273)	-
Estimated taxable income of the Company	Rp 9,225,231,871	Rp 1,910,953,092	Rp 1,659,223,118	Rp 4,721,850,315
Provision for income tax of the Company				
15% x Rp 10,000,000	Rp 1,500,000	Rp 1,500,000	Rp 1,500,000	Rp 1,500,000
25% x 40,000,000	10,000,000	10,000,000	10,000,000	10,000,000
35% x 4,671,850,350	-	-	-	1,635,147,623
35% x 1,609,223,000	-	-	563,228,050	-
35% x 1,860,953,000	-	651,333,550	-	-
35% x 9,175,231,000	3,211,330,850	-	-	-
	3,222,830,850	662,833,550	574,728,050	1,646,647,623

	June 30, 1992 (Six Months)	December 31, 1991 (One Year)	December 31, 1990 (One Year)	December 31, 1989 (One Year)
Provision for income tax of consolidated subsidiaries	Rp 852,257,450	Rp 391,622,850	Rp 436,270,212	Rp 534,621,040
Total provision for income tax	4,075,088,300	1,054,456,400	1,010,998,262	2,181,268,663
Prepayments of tax				
The Company				
Income tax - Article 23	(195,989,176)	(29,004,550)	-	(8,156,982)
Consolidated subsidiaries				
Income tax - Article 23	(49,986,604)	(53,723,169)	(50,471,355)	(49,650,000)
Estimated income tax payable	3,829,112,520	971,728,681	960,526,907	2,123,461,681
Income tax paid				
Income tax - Article 25	(486,566,646)	(1,396,616,195)	(1,749,944,225)	(1,804,875,800)
Estimated income tax payable (Claims for tax refund)	Rp 3,342,545,874	(Rp 424,887,514)	(Rp 789,417,318)	Rp 318,585,881

In 1991, two of the subsidiary companies had income tax payable - Article 25 totalling to Rp 28,258,383.

24. LONG-TERM DEBT - BANK LOANS

Long-term bank loans consist of:

	June 30, 1992	December 31, 1991	December 31, 1990	December 31, 1989
Bank Negara Indonesia				
Jakarta	Rp 11,515,868,771	Rp 14,179,868,771	Rp 16,843,868,771	Rp 19,507,868,771
Surabaya	1,160,341,310	-	-	-
Total	12,676,210,081	14,179,868,771	16,843,868,771	19,507,868,771
Less current maturities	5,978,000,000	5,328,000,000	2,664,000,000	2,664,000,000
Net	Rp 6,698,210,081	Rp 8,851,868,771	Rp 14,179,868,771	Rp 16,843,868,771

The loan obtained from Bank Negara Indonesia, Jakarta originally amounting to Rp 22,500,000,000 was used to finance the acquisition of equity investments in subsidiary companies namely, P.T. Maskapai Perkebunan Indorub Sumber Wadung, P.T. Perusahaan Perkebunan Panigoran and P.T. Maskapai Perkebunan Leidong West Indonesia. The loan is repayable in quarterly installments commencing in May 1990 up to December 1994 with annual interest rates of 23%-25.39% in 1992, 24% in 1991, 17.5%-21.25% in 1990 and 20.5% in 1989.

The loan from Bank Negara Indonesia, Surabaya was taken over from P.T. Kunci Mas Wijaya. The loan is repayable in semi-annual installments up to December 1994 with annual interest rate at 20%.

The above loans are collateralized by a portion of existing property, plant and equipment of the Company.

25. CAPITAL STOCK

The stockholders and their respective stockholdings are as follows:

June 30, 1992 (Rp 1,000/share)			
Stockholders	Fully Paid Shares	Percentage of Ownership	Paid up Capital
P.T. Sinar Mas Tunggal	65,400,000	54.5 %	Rp 65,400,000,000
P.T. Supra Veritas	39,600,000	33.0	39,600,000,000
P.T. Sadang Mas	15,000,000	12.5	15,000,000,000
Total	120,000,000	100.0 %	Rp 120,000,000,000

December 31, 1991 (Rp 1,000,000/share)			
Stockholders	Number of Shares Issued	Percentage of Ownership	Paid up Capital
P.T. Sadang Mas	52,000	52%	Rp 7,363,200,000
P.T. Supra Veritas	48,000	48	6,796,800,000
Total	100,000	100%	Rp 14,160,000,000

As of December 31, 1990 and 1989, the Company was wholly-owned by P.T. Sadang Mas.

Based on notarial deed No. 209 of Benny Kristianto SH dated September 10, 1991, the Company's articles of association were amended as follows:

- Authorized capital was changed from 1 share to 200,000 shares.
- P.T. Supra Veritas took over 48% of the Company's capital stock issued.

Based on notarial deed No. 116 of Benny Kristianto SH dated February 15, 1992, 47,400 shares owned by P.T. Sadang Mas and 18,000 shares owned by P.T. Supra Veritas were sold to P.T. Sinar Mas Tunggal.

Based on notarial deed No. 208 of Benny Kristianto SH dated September 10, 1991 and Statement Letter from P.T. Sadang Mas, a stockholder, dated February 14, 1992, the Company's retained earnings was capitalized to paid up capital amounting to Rp 7,840,000,000.

The Company declared cash dividends amounting to Rp 12,160,000,000 based on notarial deed No. 118 of Benny Kristianto SH dated February 15, 1992.

In connection with the plan to offer its shares to the public, the Company increased its authorized capital from Rp 200,000,000,000, consisting of 200,000 shares at Rp 1,000,000 par value per share to Rp 380,000,000,000 consisting of 380,000,000 shares at Rp 1,000 par value per share, as covered by notarial deed No. 102 of Imas Fatimah SH dated June 23, 1992. This change in the capital structure was approved by the Investment Coordinating Board (BKPM) in its decision letter No. 497/111/PMDN/1992 dated June 3, 1992.

Total paid up capital amounting to Rp 120,000,000,000 was derived from:

- Fully paid shares prior to increase in authorized capital stock amounting to Rp 1,814,417,647.
- Capitalization of revaluation increment in property, plant and equipment of Rp 5,345,312,575 in 1991.
- Capitalization of due to stockholder amounting to Rp 8,000,000,000 in 1992.
- Capitalization of retained earnings amounting to Rp 7,840,000,000 in 1992.
- Cash contribution from stockholders of Rp 7,000,269,778 in 1991 and Rp 90,000,000,000 in 1992.

26. NET SALES

The details of net sales are as follows:

Type of Product	1992 (Six Months)	1991 (One Year)	1990 (One Year)	1989 (One Year)
Local Sales				
Refined palm products	Rp 184,720,863,716	Rp 9,020,000,000	Rp -	Rp -
Palm products	19,698,974,926	34,219,121,045	19,823,053,308	19,828,627,480
Tea	319,984,458	2,206,837,463	3,182,236,883	3,182,520,247
	204,739,823,100	45,445,958,508	23,005,290,191	23,011,147,727

Type of Product	1992 (Six Months)	1991 (One Year)	1990 (One Year)	1989 (One Year)
Export Sales				
Refined palm products	Rp 3,664,033,340	Rp -	Rp -	Rp -
Tea	2,330,167,110	3,114,156,764	-	-
Palm products	415,110,000	-	-	-
	6,409,310,450	3,114,156,764	-	-
Management services	2,587,578,401	-	-	-
Total	Rp 213,736,711,951	Rp 48,560,115,272	Rp 23,005,290,191	Rp 23,011,147,727

Sales for the six months ended June 30, 1992 increased by 340% as compared to the 1991 sales because sales for the six months ended June 30, 1992 included sales of refined palm products such as cooking oil, margarine and fat as the result of taking over the business of P.T. Mulyorejo Industrial Company on December 28, 1991.

27. COST OF GOODS SOLD

This account consists of the following:

	1992 (Six Months)	1991 (One Year)	1990 (One Year)	1989 (One Year)
Raw material used	Rp 169,046,983,981	Rp 9,295,000,000	Rp -	Rp -
Direct manufacturing cost	14,716,069,664	13,508,839,708	9,049,628,113	7,075,170,716
Indirect manufacturing cost	6,174,150,602	5,756,762,821	6,009,845,653	5,370,615,603
Total manufacturing costs	189,937,204,247	28,560,602,529	15,059,473,766	12,445,786,319
Finished Goods				
At beginning of period	4,667,998,134	2,935,474,006	1,028,308,029	1,152,093,748
Purchases	378,000,000	10,696,140	-	-
Taken over from P.T. Mulyorejo Industrial Company	-	2,770,806,820	-	-
At end of period	(2,662,937,229)	(4,667,998,134)	(2,935,474,006)	(1,028,308,029)
Cost of goods sold	192,320,265,152	29,609,581,361	13,152,307,789	12,569,572,038
Gain on future contracts	(1,626,400,000)	-	-	-
Cost of Goods Sold - Net	Rp 190,693,865,152	Rp 29,609,581,361	Rp 13,152,307,789	Rp 12,569,572,038

The details of cost of goods sold by type of product are as follows:

Type of Product	1992 (Six Months)	1991 (One Year)	1990 (One Year)	1989 (One Year)
Refined palm products	Rp 178,787,802,811	Rp 9,295,000,000	Rp -	Rp -
Palm products	6,730,443,183	16,282,440,101	11,018,488,032	9,832,579,166
Tea	2,417,549,482	4,032,141,260	2,133,819,757	2,736,992,872
Management services	2,758,069,676	-	-	-
Total	Rp 190,693,865,152	Rp 29,609,581,361	Rp 13,152,307,789	Rp 12,569,572,038

The gain on future contracts of Rp 1,626,400,000 for the six months ended June 30, 1992 was offset against the cost of refined palm products sold for the same period.

28. OPERATING EXPENSES

Selling expenses consist mainly of advertising and promotion, marketing fee, freight and commissions. General and administrative expenses consist mainly of salaries, wages and benefits, management fees and depreciation expense.

29. MISCELLANEOUS INCOME - NET

This consists of the following:

	1992 (Six Months)	1991 (One Year)	1990 (One Year)	1989 (One Year)
Trade payables written off	Rp 960,474,337	Rp -	Rp -	Rp -
Rental income	226,085,549	412,476,697	420,831,325	-
Bank charges	(108,394,335)	(153,686,176)	(91,315,383)	(44,782,638)
Others	577,961,968	166,189,927	166,545,462	626,090,711
Total	Rp 1,656,127,519	Rp 424,980,448	Rp 496,061,404	Rp 581,308,073

Trade payables written off represent the differences between the estimated and actual price of imported goods in 1991, 1990 and 1989. These differences were ascertained by management to be no longer payable in the future.

30. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE

As mentioned in Note 2, the Company and its subsidiaries (those acquired in 1989) changed the method of computing depreciation on certain property, plant and equipment from double-declining balance to straight-line method at the beginning of 1991 to reflect a more realistic depreciation charge over the useful lives of the assets. The cumulative effect of the change in accounting principle consists of the following:

P.T. Sinar Mas Agro Resources and Technology Corporation	Rp 3,070,393,336
P.T. Maskapai Perkebunan Indorub Sumber Wadung	465,402,904
P.T. Maskapai Perkebunan Leidong West Indonesia	133,250,272
P.T. Perusahaan Perkebunan Panigoran	14,957,865
	=====
Total	Rp 3,684,004,377
	=====

The cumulative effect of the change in accounting principle was credited to the 1991 operations.

31. NET INCOME

Net income (loss) of the Company and its consolidated subsidiaries is broken down as follows:

	1992 (Six Months)	1991 (One Year)	1990 (One Year)	1989 (One Year)
	-----	-----	-----	-----
P.T. Sinar Mas Agro Resources and Technology Corporation	Rp 9,054,313,614	Rp 8,600,704,735	Rp 231,545,984	Rp 2,433,542,968
P.T. Maskapai Perkebunan Leidong West Indonesia	1,480,759,754	478,488,540	387,407,671	(110,373,231)
P.T. Perusahaan Perkebunan Panigoran	222,408,777	525,976,455	412,198,887	331,372,045
P.T. Maskapai Perkebunan Indorub Sumber Wadung	85,364,650	1,018,942,868	559,112,453	796,103,417
P.T. Perkebunan dan Perindustrian "Nirmala Agung"	(150,056,377)	(99,333,995)	-	-
	-----	-----	-----	-----
Total	Rp 10,692,790,418	Rp 10,524,778,603	Rp 1,590,264,995	Rp 3,450,645,199
	=====	=====	=====	=====

32. OPERATING PROFIT AND NET INCOME PER SHARE

For comparison purposes, with the assumption of par value per share amounting to Rp 1,000, operating profit and net income per share would be as follows:

	1992 (Six Months)	1991 (One Year)	1990 (One Year)	1989 (One Year)
Capital stock issued (in shares)	115,000,000	32,497,412	1,814,418	1,814,418
Operating profit	Rp 16,221,249,229	Rp 14,619,825,400	Rp 6,970,319,690	Rp 8,862,629,440
Operating profit per share	Rp 141	Rp 450	Rp 3,842	Rp 4,885
Net income	Rp 10,692,790,418	Rp 10,524,778,603	Rp 1,590,264,995	Rp 3,450,645,199
Net income per share	Rp 93	Rp 324	Rp 876	Rp 1,902

33. PRIOR PERIOD ADJUSTMENT

In accordance with the results of the examination of the Company's corporate income tax for the 1985 fiscal year which was covered by the Tax Authority Decree No. TEG/202/WPJ.10/KI.1204/89, T.25.048 dated February 10, 1989, the Company made a correction to its retained earnings amounting to Rp 425,994,757 in 1989. Other corrections which were not related to the tax examination amounting to Rp 24,300,032 were also made in 1989.

34. TRANSACTIONS WITH RELATED PARTIES AND AFFILIATED COMPANIES

In the normal course of business, the Company and its subsidiaries have transactions with those companies which are defined as related parties in accordance with the Circular Letter No. SE-24/PM/1987 dated December 24, 1987 of the Head of Capital Market Supervisory Agency. The transactions were made under similar terms and conditions as those with unrelated parties. Significant transactions involved are as follows:

- Short-term financing and time deposits were provided by P.T. Bank Internasional Indonesia, a related party, to the Company and its subsidiaries.
- Sales of palm products were made by the Company to P.T. Ivo Mas Tunggal, P.T. Ivo Mas Perkasa and P.T. Sadang Mas.
- Purchases of refined palm products were made from P.T. Ivo Mas Tunggal.
- The Company used inland and marine transportation provided by P.T. Grahamas Indojoya and P.T. Istana Mutiara Mas.
- The Company purchased brands and trademarks from P.T. Supra Veritas, a stockholder.

35. MANAGEMENT AGREEMENTS

The Company and certain subsidiaries and affiliated companies had management contracts with P.T. Purimas Sasmita, a related party, in 1991 and with P.T. Sadang Mas, a stockholder, in 1990 and 1989. The management contracts cover the supply of expert, accounting and tax, computer and other services. Started January 1, 1992, the Company took over as the Manager under the said agreements.

Management fees charged to operations amounted Rp 807,437,220 in 1991, Rp 590,284,142 in 1990 and Rp 406,962,659 in 1989. Management service income for the six months ended June 30, 1992 amounted to Rp 2,587,578,401.

36. MARKETING AGREEMENT

In 1992, the Company entered into a marketing agreement with P.T. Sinar Meadow International Indonesia (SMII), an affiliated company, which covered sales administration, determination of selling prices and promotions and marketing of the Company's products. As compensation, the Company pays SMII a certain amount representing reimbursement of overhead expenses incurred under the agreement.

Marketing fee (excluding direct promotional expenses) charged to operations amounted to Rp 741,836,370 for the six months ended June 30, 1992.

37. COMMITMENT

As of June 30, 1992, the Company is committed to sell 40,000 tons of crude palm oil for a total price of about US\$ 16 million under futures contracts with delivery on various dates up to October 1992. As of June 30, 1992, potential profit under these contracts approximates US\$ 800,000.

38. SUBSEQUENT EVENTS

- a. On July 22, 1992, the Company submitted a registration statement to the Ministry of Finance cq. the Head of Capital Market Supervisory Agency to offer to the public 30,000,000 shares with par value of Rp 1,000 per share, through the stock exchanges in Indonesia.
- b. The changes in the Company's articles of association as notarized by notarial deed No. 102 of Imas Fatimah SH dated June 23, 1992 and its amendment on notarial deed No. 45 of the same notary dated September 11, 1992, was approved by the Ministry of Justice in its letter No. C2-8128.HT.01.04.TH92, dated September 29, 1992.

39. RECLASSIFICATION OF ACCOUNTS

Certain accounts in the 1991, 1990 and 1989 consolidated financial statements have been reclassified to conform with the presentation of accounts in the 1992 consolidated financial statements.

XVIII. APPRAISAL REPORT

P.T. ASIAN APPRAISAL INDONESIA

Consultants in Property and Business Valuation

Private and Confidential

Ref. No. AAIL 92-251

August 24, 1992



Member Companies:

Hong Kong	Singapore
Indonesia	Thailand
Philippines	

The Directors
PT SINAR MAS AGRO RESOURCES AND
TECHNOLOGY CORPORATION (PT S.M.A.R.T.)
JITC Building, 9-10th floor
Jalan Mangga Dua Raya
Jakarta 14430

Dear Sirs,

In relation to the Fixed Assets appraisal/valuation undertaking you assigned to us, we are an Appraisal Company properly licensed to operate in Indonesia by Letters of Permit from the :

1. Department of Trade of Republic of Indonesia, "Surat Izin Usaha Perusahaan Penilai (SIUPP)" : No. 02/Pen/BSP-3/VIII/92 dated August 15, 1992 and valid up to and including 3rd November 1995; and
2. Department of Finance of Republic of Indonesia, "Surat Tanda Terdaftar Profesi Penunjang Pasar Modal" No. 06/STTD-PP/PM/1992 dated 18th August 1992.

We have completed undertaking an appraisal of the property interest (Fixed Assets) of the PT S.M.A.R.T. - Group of Companies and hereby submit to you our professional and considered opinion for the :

1. Land, non-Agro : Fair Market Value - in Exchange
2. Replaceable Fixed Assets :
 - Cost of Reproduction/Replacement, New Value; and
 - Fair Market Value - in Continued Use

P.T. Asian Appraisal Indonesia

3. The Agro Land :
The Indonesian Land Use Rights Value on Agricultural Estates and Plantations - together with
 4. The Standing Crops :
Premised on Going Concern Value
- The purpose of this Appraisal undertaking is for Listing and Public Offer (Going Public);
 - The Value cut-off date was 31st March 1992;
 - Values are in Indonesian Rupiah (Rp);
 - Conversion rate on cut-off date was US Dollars 1.00 = Rp 2,027.

APPRAISAL METHODOLOGY

I. For Land - non Agro

The Market Data Approach to arrive at the Fair Market Value - in Exchange,

Market Data Approach

In this approach the value of land/location is based on sales and listings of comparable land registered within the vicinity. These data are analyzed and adjusted with respect to the similarities and differences between the land being appraised and land sold or being offered for sale in the market. The comparison and adjustment process is based on such factors as zoning, location, size, shape of the lot, elevation, terrain, marketability and time element, etc.

Fair Market Value - in Exchange

The term "Fair Market Value - in Exchange" as used herein is defined as being the amount of currency at which the property would exchange between a willing buyer and a willing seller, neither being under any compulsion, constraints or duress, where the land is offered in the market for a reasonable length of time, where both the buying and selling parties have reasonable knowledge of all relevant facts and with equity to both.

II. For Replaceable Assets --

The application of the Cost Approach which is essentially a technical - economic exercise to arrive at the :

1. Cost of Reproduction/Replacement, New Value;
2. Accrued Depreciation is then deducted to arrive at the
3. Fair Market Value - in Continued Use

Cost of Reproduction/Replacement, New Value

This is a quantity surveying exercise based on computations and considerations to reproduce and/or replace new or the reproduction of fixed assets in accordance with needs and capacities, current market prices for material, labour, manufactured equipment, contractor's overheads and profit and fees, permits and licenses (if any), related taxes, but without provision for overtime or bonuses for labour or premiums for materials.

Accrued Depreciation

Appraisal field and physical inspection of said replaceable fixed asset locations are undertaken to estimate technical as well as economical potential by observing and taking into consideration the following :

1. Physical Deterioration (wear and tear);
2. Functional Obsolescence (internal factors influencing values);
3. Economic Obsolescence (external factors influencing values)

Fair Market Value - in Continued Use

Premised on the Cost of Reproduction/Replacement, New Value less Accrued Depreciation identified and evidenced by the physical, functional and economic condition, extent, character and utility, present and prospective serviceability in comparison with new units of like kind and on the assumption that the property is to be continued in its intended use.

FOR THE AGRO LAND

The Agro land in this appraisal is zoned and Licensed to be utilized as Plantations and as such the approach, computations and considerations to arrive at values are based upon the following norms :

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1. Cost of acquiring the Land Use Rights titles;
2. Validity of the Land Use Rights titles (HGU);
3. Highest and best use of the Agro Land; and
4. Soil fertility and condition rating in relation to the standing crops.

FOR THE STANDING CROPS

We have applied the Income Approach using the Commercial Plants Residual Technique. This technique consist of separating the income generated by each type of property and interpreted into value by a process of mathematical calculation and crosschecks on :

- Environmental condition of the Plantation such as, the nature and character of the soil, climatic and weather conditions, and annual rainfalls.
- General condition of plantings; immature and mature plantings calculations; planting program and schedules; rate of production; economic production life and remaining economic life of the plants.
- Sales; market activities on the agro product; income and operational expenses; projections on production and sales.
- Procedural assumptions like : all payments in cash; economic and monetary condition assumed stable and constant; capabilities on management and personnel.

The Income Approach to value a property is determined and based on the future income normally expected to be generated in operating the subject property.

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Presented hereunder are the summary reports :

COMPANY & LOCATION	PROPERTY	CONDITION	COST OF REPRO- DUCTION/REPLA- CEMENT, NEW (Rp 000)	DEPRE- CIATION (%)	FAIR MARKET VALUE - IN CONTINUED USE (Rp 000)
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PT S.M.A.R.T. CORPORATION

I. ESTATE DIVISION

A. PALM OIL PLANTATIONS

1. PT SUNCAMA PADANG HALABAN

Labuhan Batu,	AL	Good	6,041,250	53	2,842,150
North Sumatra	SC	Good	73,946,256	-	73,946,256 *
	B-OLI	Good	6,129,253	24	4,662,132
	ME&U	Good	18,061,310	33	12,114,322
	TE	Good	3,142,650	34	2,077,680
	PFOE	Good	505,252	25	377,665
			107,825,971		96,020,205 (Rounded to Rp 96,020,000)

2. PT PANIGORAN

Aek Natas, Labuhan Batu,	AL	Good	1,254,000	68	399,000
North Sumatra	SC	Good	8,979,625	-	8,979,625 *
	B-OLI	Good	667,920	26	491,777
	ME&U	Good	58,000	25	43,501
	TE	Good	168,500	43	95,200
	PFOE	Good	24,138	31	16,665
			11,152,183		10,025,768 (Rounded to Rp 10,025,000)

3. PT TAPIAN NADENGAN

Barumbun Tengah, South	AL	Good	2,794,750	17	2,313,583
Tapanuli, North Sumatra	SC	Good	61,742,647	-	61,742,647 *
	B-OLI	Good	8,644,224	18	7,106,357
	ME&U	Good	18,762,180	18	15,336,534
	TE	Good	2,591,850	34	1,712,475
	PFOE	Good	407,050	31	284,460
			94,942,701		88,496,056 (Rounded to Rp 88,496,000)

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4. PT LEIDONG WEST INDONESIA

Kanopan Ulu, Kualuh, North Sumatra	AL	Good	1,057,200	69	330,769
	SC	Good	21,843,913	-	21,843,913 *
	B-OLI	Good	1,655,848	21	1,305,116
	ME&U	Good	110,495	22	86,031
	TE	Good	362,000	30	254,750
	FPOE	Good	76,310	27	55,350
			25,105,766		23,875,929 (Rounded to Rp 23,875,000)

5. PT SATYA KISMA USAHA

Kota Pinang, Labuhan, North Sumatra	AL	Good	1,590,000		636,000
	SC	Good	20,645,048	-	20,645,048 *
	B-OLI	Good	1,591,853	20	1,239,953
	ME&U	Good	194,122	17	161,680
	TE	Good	361,050	32	244,330
	FPOE	Good	97,535	40	67,665
			24,479,608		22,994,676 (Rounded to Rp 22,994,000)

B. TEA PLANTATIONS

1. PT INDORUB SUMBER WADUNG

Ciwidey, Bandung, West Java	AL	Good	1,287,968	68	412,150
	SC	Good	18,298,981	-	18,298,981 *
	B-OLI	Good	6,944,523	27	4,333,813
	ME&U	Good	2,250,710	30	1,572,876
	TE	Good	252,500	34	166,500
	FPOE	Good	103,260	45	56,557
			29,137,942		24,840,877 (Rounded to Rp 24,840,000)

2. PT NIRMALA AGUNG

Kelapa Nunggal, Bogor, West Java	AL	Good	291,336	54	132,425
	SC	Good	3,444,923	-	3,444,923 *
	B-OLI	Good	672,777	53	317,139
	ME&U	Good	369,145	31	253,735
	TE	Good	184,450	62	69,100
	FPOE	Good	37,227	29	26,453
			4,999,858		4,243,775 (Rounded to Rp 4,243,000)

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C. HYBRID COCONUT PLANTATION

1. PT INTI GERAK MAJU

Kota Baru,	AL	Good	793,300	0	793,000
South Kalimantan	SC	Good	1,439,644	-	1,439,644 *
	B-OLI	Good	464,690	8	429,545
	ME&U	Good	480,855	14	414,390
	FFOE	Good	82,255	19	66,840
			<u>3,260,744</u>		<u>3,143,419 (Rounded to Rp 3,143,000)</u>

II. REFINERY DIVISION

1. PT Mulyorejo :

Jalan Rungkut Industri	L	Good	9,308,750	0	9,308,750 **
Raya No. 19, Surabaya	B-OLI	Good	3,795,720	30	2,638,985
	ME&U	Good	36,960,120	36	23,587,675
	TE	Good	4,159,585	38	2,569,175
	FFOE	Good	535,254	24	409,052
			<u>54,759,429</u>		<u>38,513,637 (Rounded to Rp 38,513,000)</u>

2. PT Mulyorejo :

Jalan Gresik No.1,	L	Good	2,991,800	0	2,991,800 **
Surabaya	B-OLI	Good	793,100	60	313,200
	ME&U	Good	3,680,836	35	2,376,440
	FFOE	Good	57,654	26	42,778
			<u>7,523,390</u>		<u>5,724,218 (Rounded to Rp 5,724,000)</u>

3. PT Mulyorejo :

Jalan Rungkut Industri	L	Good	2,521,000	0	2,521,000 **
I/34, Surabaya	B-OLI	Good	1,431,800	44	805,300
(ex. Kunci Mas)	ME&U	Good	4,554,300	66	1,528,900
			<u>8,507,100</u>		<u>4,855,200 (Rounded to Rp 4,855,000)</u>

P.T. Asian Appraisal Indonesia

PT SINAR MEADOW INTERNATIONAL INDONESIA GROUP

1. PT SINAR MEADOW INTERNATIONAL INDONESIA

Jalan Pulo Ayang I/6	L	Good	3,224,925	0	3,224,925 **
Pulogadung Industrial	B-OLI	Good	2,432,225	9	2,207,835
Estate, Jakarta Timur	ME&U	Good	9,602,270	6	9,033,420
	TE	Good	172,500	41	102,500
	FPOE	Good	281,580	12	248,945
			15,713,500		14,817,625 (Rounded to Rp 14,817,000)

2. PT CITRA NABATI LESTARI

Jalan Rawa Girang No. 3	L	Good	1,809,200	0	1,809,200 **
Pulogadung Industrial	B-OLI	Good	441,145	30	309,207
Estate, Jakarta Timur	ME&U	Good	1,929,135	28	1,388,260
	FPOE	Good	24,387	21	19,356
			4,203,867		3,526,023 (Rounded to Rp 3,526,000)

3. PT NABATI MURNI

Jalan Puloayang II/3	L	Good	2,982,000	0	2,982,000 **
Pulogadung Industrial	B-OLI	Good	910,750	18	747,425
Estate, Jakarta Timur	ME&U	Good	7,274,465	45	4,035,125
	TE	Good	857,000	75	218,155
	FPOE	Good	54,050	62	20,615
			12,078,265		8,003,320 (Rounded to Rp 8,003,000)

TANK FARM

1. PT Mulyorejo :

Jalan Deli No.25,	L	Good	200,000	0	200,000 ***
Semarang	B-OLI	Good	312,700	39	190,100
	ME&U	Good	1,043,100	30	730,100
	FPOE	Good	91,200	7	84,600
			1,647,000		1,204,800 (Rounded to Rp 1,204,000)

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2. PT Mulyorejo :

Jalan Nilam Timur No.19,	L	Good	334,740	0	334,740 **
Tanjung Perak, Surabaya	B-OLI	Good	855,600	43	490,800
	ME&U	Good	5,747,005	48	2,964,470
	PFOE	Good	33,706	36	21,561
			6,971,051		3,811,571 (Rounded to Rp 3,811,000)

3. PT Mulyorejo :

Jalan Hatta,	L	Good	22,000	0	22,000 ***
Ujung Pandang	B-OLI	Good	24,300	52	11,540
	ME&U	Good	561,055	37	351,320
	TE	Good	26,000	50	13,000
			633,355		397,860 (Rounded to Rp 397,000)

4. PT Mulyorejo :

Jalan Pombo, Tanjung	L	Good	72,000	0	72,000 ***
Priok, Jakarta	B-OLI	Good	161,190	22	126,370
	ME&U	Good	2,319,200	27	1,691,800
	TE	Good	29,875	13	26,015
			2,582,265		1,916,185 (Rounded to Rp 1,916,000)

STAFF HOUSING

PT Mulyorejo :

Jalan Pondok Candra	L	Good	647,100	0	647,100 **
Surabaya	B-OLI	Good	456,800	21	360,400
	PFOE	Good	30,310	18	25,000
			1,134,210		1,032,500 (Rounded to Rp 1,032,000)

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1. PT S.M.A.R.T. CORPORATION - HEAD OFFICE

JITC Building, 9-10th floor

Jalan Mangga Dua Raya

Jakarta

FFOE

Good

1,698,888

5

1,615,200 (Rounded to Rp 1,615,000)

Note : L : Land - non Agro

AL : Agro Land

SC : Standing Crops

B-OLI : Building and Other Land Improvements

ME&U : Machinery, Equipment & Utilities

TE : Transportation Equipment

FFOE : Furniture, Fixtures & Office Equipment

* : For Standing Crops (SC) the
Investment Value derived from
Income Approach

** : Fair Market Value - in Exchange

*** : Lessee's Interest

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Premised on the foregoing and with the understanding that titles are valid and sound under responsible ownership and are free from unusual ongoing restrictive covenants or onerous encumbrances attached thereto, we are of the professionally considered opinion that the following represents the summarized rounded Fair Market Value - in Continued Use value for the replaceable assets; Fair Market Value - in Exchange value for non agro land; Present Value for agroland and standing crops, PT S.M.A.R.T. - Group of Companies appraised as of 31st March 1992.

I. Estate Division in 8 locations	Rp 273,636,000,000
II. Refinery Division in 6 locations	Rp 75,438,000,000
III. Tank Farms in 4 locations	Rp 7,328,000,000
IV. Staff Housing in 1 locations	Rp 1,032,000,000
V. PT S.M.A.R.T. Head Office, Jakarta	Rp 1,615,000,000

Total Fair Market Value - in continued use	Rp 359,049,000,000 =====
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(Rupiahs three hundred fifty nine billion forty nine million)

We understand through discussions and cross reference with Tumbuan Pane - Counselors at Law, that all the Companies listed herein are, under Indonesian law, a part of and fall under the PT S.M.A.R.T. - Group of Companies.

As Valuation is our discipline and Appraisal our profession we have made no in depth investigation of and thereby assume no responsibility for titles to or liabilities against the property appraised.

We hereby CERTIFY that we have neither a present nor prospective interest in the properties (Fixed Assets) appraised/valued and/or the values herewith reported.

Yours faithfully,
PT ASIAN APPRAISAL INDONESIA
President Director


PT. ASIAN APPRAISAL INDONESIA
RONNY PADDEE
MAPPI : 81-0009

RP/nr

XIX. ARTICLES OF ASSOCIATION OF THE COMPANY

NAME AND DOMICILE

Article 1

1. The name of this company is: PT SINAR MAS AGRO RESOURCES AND TECHNOLOGY CORPORATION abbreviated P.T. SMART CORPORATION (hereinafter in these articles of association referred to as the "Company"), domiciled in Jakarta.
2. The Company may open offices, branches and representative offices in other places, either inside or outside the territory of the Republic of Indonesia as determined by the Board of Directors with the approval of the Board of Commissioners.

DURATION

Article 2

This Company shall be established for a period of 75 (seventy five) consecutive years commencing on the twenty ninth day of August one thousand nine hundred and sixty three (29-8-1963), with due observance of the provisions in Article 47 and Article 51 of the Indonesian Commercial Code, with the provision that the duration of the Company can be extended by the appropriate authorities at the request of the Board of Directors.

OBJECTIVES AND PURPOSES

Article 3

1. The objectives and purposes of this Company are:
 - a. to engage business in the plantation, agriculture, ranching and fishery field including industries related to the abovementioned fields.
 - b. to engage in general trading including import-export and interinsular trading particularly with respect to the products of plantation, agriculture, ranching and fishery.
 - c. to engage in management and research services related to plantation, agriculture, ranching and fishery.
 - d. to engage business as agent and representatives of domestic as well as foreign company related to plantation, agriculture, ranching and fishery.
2. To establish or participate in other companies of similar or almost similar objectives and purposes with this Company and in general to conduct any business profitable to the Company whether directly or indirectly related to the abovementioned objectives, either for its own account or in conjunction with other entities as long as such business is approved by the appropriate authorities.

CAPITAL

Article 4

1. The authorized capital of the Company shall be Rp380,000,000,000.00 (three hundred and eighty billion rupiahs), divided into 380,000,000 (three hundred and eighty million) shares, each share having a nominal value of Rp 1,000.00 (one thousand rupiahs).
2. A. Out of the capital referred to above, 120,000,000 (one hundred and twenty million) shares worth Rp 120,000,000,000.00 (one hundred and twenty billion rupiahs) have been subscribed and fully paid up by:

1. PT Perdagangan, Perindustrian Dan Pembangunan Sadang Mas abbreviated PT Sadang Mas, a total of 15,000,000 (fifteen million) shares worth Rp 15,000,000,000.00 (fifteen billion rupiahs).
 2. PT Supra Veritas, a total of 39,600,000 (thirty nine million six hundred thousand) shares worth Rp 39,600,000,000.00 (thirty nine billion six hundred million rupiahs).
 3. PT Sinar Mas Tunggal, a total of 65,400,000 (sixty five million four hundred thousand) shares worth Rp 65,400,000,000.00 (sixty five billion four hundred million rupiahs).
- B. Out of the abovementioned shares 30,000,000 (thirty million) shares or amounting Rp 30,000,000,000.00 (thirty billion rupiahs) shall be offered/sold to the public through Stock Exchanges in Indonesia, which shares constitute new share issued by the Company and which payment shall be materialized at the closing date of the offering period, so that after the closing date of the offering period, the number of issued and fully paid up shares will be 150,000,000 (one hundred fifty million) shares or amounting Rp 150,000,000,000.00 (one hundred fifty billion rupiahs).
3. The remaining shares shall be issued by the Board of Directors according to the need for working capital, at the time and on conditions determined by the Meeting of the Board of Directors with the approval from the General Meeting of Shareholders with due observance of the provisions of these Articles of Association and provided that the sale shall not be effected at a price below par.
 4. If the unissued shares are to be issued by way of private placement, then all the shareholders whose names are registered in the register of shareholders shall be given opportunity to first purchase the shares to be issued and each such shareholders is entitled to purchase in cash such shares according to the ratio of the number of shares they own respectively. Such preemptive right of the shareholders can be sold and assigned to other parties. Such issuance of shares by way of private placement shall obtain prior approval from General Meeting of Shareholders, on the conditions and period in accordance with the provisions of these articles of association and prevailing regulations in Capital Market and regulation of the Stock Exchange where the Company's shares are listed and provided that the sale shall not be effected at a price below par. The Board of Directors is obliged to announce such decisions of issuance of shares by way of private placement in 2 (two) daily newspapers in the Indonesian language, one of which shall have wide circulation and the other shall be published in the domicile of the Company.
- If within the period according to the abovementioned provisions, the shareholders did not exercise their right to subscribe the shares offered to them by paying in cash to the Company the price of the shares offered, then the Board of Directors is free to issue such shares to any body at the price and on conditions determined by the Board of Directors, with due observance of the provisions stipulated in these articles of association and prevailing regulation in Capital Market and regulations of the Stock Exchange where the Company's shares are listed.
5. In case the unissued shares shall be issued to the convertible bondholders or to the holders of warrant issued by the Company pursuant to the approval from the General Meeting of Shareholders, then the Board of Directors is entitled to issue such shares without giving preemptive right to the existing shareholders to subscribe the issued shares, with due observance of the prevailing regulations in Capital Market regarding foreign investors and further without prejudice to the approval from the appropriate authorities as long as it is required by the prevailing laws.
 6. The balance of all unissued shares shall be issued within 10 (ten) years as from this amendment to the articles of association are approved by the Minister of Justice of the Republic of Indonesia, unless such period is extended by the appropriate authorities at the request of the Board of Directors of the Company, who is entitled to submit such application without requiring authorization from the General Meeting of Shareholders.

7. In case of an increase of the authorized capital, each issuance of shares may only be effected by the Board of Directors at such time and on such terms and conditions as determined by the Meeting of the Board of Directors and such Meeting of the Board of Directors shall determine the price of such shares and other necessary conditions, but such price of shares shall not be lower than the par value, provided the decisions of such Meeting of the Board of Directors shall also be approved by the General Meeting of Shareholders, without prejudice to the permit form the competent authorities.
8. In case of a further increase of the issued shares in connection with an increase of authorized capital as referred to in paragraph 7 of this Article, then the Board of Directors shall first offer such shares to all shareholders whose names are registered in the register of shareholders of the Company and the provisions in paragraphs 4 and 5 of this article shall also be applicable mutatis mutandis for the issuance of shares on account of said capital increase.

S H A R E S

Article 5

1. All shares of the Company are registered shares and issued in the name of the owner of the shares as registered in the register of shareholders of the Company.
2. The serial number of shares shall be mentioned on each share certificate and each share certificate or collective share certificate shall be affixed by signatures of one member of the Board of Directors and one member of the Board of Commissioners or such signatures are printed on the shares certificates or collective share certificates.
3. A collective share certificate may be issued as evidence of ownership of 2 (two) or more shares held by 1 (one) shareholder; the collective share certificate shall state the number of the shares concerned and the serial numbers thereof.
4. The share certificates shall be serially numbered and each share certificate shall indicate the date of issuance, together with identification marks as determined by the Board of Directors.
5. The shares are indivisible. The Company shall acknowledge only one person or legal entity as owner of one share, in the event that a share in consequence of inheritance or for whatever reason becomes the property of several persons, those persons having joint-ownership shall designate in writing one person amongst them or any other person as their joint representative, and only such representative shall be entitled to exercise the rights conferred by law upon such share. Prior to the Company receiving the written notification with respect to the designation of such joint representative or any amendment thereof, the Company shall be entitled to treat the person whose name is registered in the register of shareholders of the Company as the only person entitled to exercise and utilize all the rights conferred by law upon a share.
6. Each shareholder by operation of law must comply with these articles of association and with all decisions lawfully adopted at the General Meeting of Shareholders.
7. The regulations of the Stock Exchanges where the shares of the Company are listed shall be applicable to the shares of the Company which are listed at the Stock Exchanges in Indonesia.
8. The provisions of this paragraph 2 of article 5 shall also apply mutatis mutandis to signature requirement for bond or warrant certificate.

DUPLICATES

Article 6

1. In case a share certificate, dividend coupons and/or talon is damaged and no longer usable, the Board of Directors shall at the request of party concerned issue duplicates thereof to the said party.
2. The damaged original share certificate as referred to in paragraph 1 mentioned above shall be destroyed at the subsequent Meeting of the Board of Directors and this occurrence shall be recorded in the Minutes of said Meeting.
3. In case a share certificate, dividend coupons and/or talon is lost, the Board of Directors shall at the request of the party concerned issue duplicate of the lost documents to the said party after such loss in the opinion of the Board of Directors has been adequately proven and supported by guarantees as deemed necessary by the Board of Directors for each specific case.
4. After the duplicates have been issued, the original documents shall cease to be valid for the Company.
5. The issuance of duplicates for a lost certificate shall be announced in at least 1 (one) daily newspaper in the Indonesian language which has a wide circulation at least 30 (thirty) days prior to the issuance of such duplicates, except for the shares registered at the Stock Exchanges in Indonesia, because the regulations of the Stock Exchange at the places where such shares are listed shall be applicable to such shares.
6. All expenses incurred in connection with the issuance of such duplicates shall be borne by the shareholder concerned.
7. The provisions contained in paragraphs 1 through 6 of this article 6 shall be mutatis mutandis be applicable to the issuance of duplicate of the collective share certificate, bonds certificate and warrants certificate.

REGISTER OF SHAREHOLDERS

Article 7

1. The Board of Directors is obliged to keep a register of shareholders of the Company and such register shall contain the names and addresses of every shareholder as notified in writing by the shareholder to the Board of Directors, the serial number and the total number of shares owned by a shareholder and other particulars deemed necessary by the Company and or by applicable regulations having the force of law. The shareholders are obliged to notify the Board of Directors in writing of any change in address or other particulars of the shareholders, before such notification has not been performed all notices and notification shall be validly addressed to the last address recorded in the register of shareholders.
2. Upon request of the shareholder concerned or a pledgee, a pledge of shares shall be recorded in the register of shareholders in a manner to be determined by the Board of Directors based on satisfactory evidence acceptable to the Board of Directors with respect to the pledge of the shares concerned. The acknowledgement of such pledge of shares by the Company as required under Article 1153 of the Indonesian Civil Code shall only be evidenced by the annotation of the pledge in the register of shareholders.
3. Any records and/or alterations in the register of shareholders shall be signed by a member of the Board of Directors or a representative designated by the Meeting of the Board of Directors.
4. Any registration or annotation in the register of shareholders including annotation pertaining to any sale, transfer, encumbrance, pledge, assignment in respect of any shares of the Company or rights or interests therein shall be made in accordance with these Articles of Association, without prejudice to the permits from the competent authorities required under prevailing regulations having the force of law.

TRANSFER OF SHARES

Article 8

1. In case a change of ownership of a share occurred, the previous owner as registered in the register of shareholders shall be deemed to remain the holder of such share until the name of the new owner has been entered in the register of shareholders, without prejudice to the permits from the competent authorities.
2. All transfer of shares shall be evidenced by a document signed by or on behalf of the transferor and by or on behalf of the transferee of the share concerned. Such documents of share transfer shall be in the form as determined by and or acceptable to the Board of Directors, provided that with respect to documents on the transfer of shares listed at the Stock Exchange in Indonesia, such documents shall comply change regulations prevailing at the places where the Company's share are listed, without prejudice to the prevailing laws regarding the transfer of shares.
3. The registration of a transfer of share shall not be carried out during the period from the date of notice for a General Meeting of Shareholders until the closing date of such Meeting.
4. Any person becoming entitled to a share as consequence of the death of a shareholder or of any other caused by which the ownership of a share changes by operation of law, may upon producing such evidences of title as may from time to time be required by the Board of Directors, apply in writing to be registered as a shareholder. Registration shall only be effected if the Board of Directors can accept and is satisfied with such evidence, without prejudice to any provisions in these articles of association and with due observance of the rules applicable at the stock exchange in Indonesia where the shares of the Company are listed and of the prevailing regulation in Capital Market regarding foreign investors.
5. All the limitations, restrictions and provisions in these Articles of Association regarding the transfer of shares and registration of the transfer of shares shall also be applicable to any transfer of right pursuant to paragraph 4 of this article 8.

MANAGEMENT

Article 9

1. The Company shall be managed by a Board of Directors under the supervision of a Board of Commissioners. The Board of Directors shall consist of minimum 3 (three) members and maximum 12 (twelve) members with the composition as follows:
 - a. 1 (one) President Director;
 - b. 1 (one) Vice President Director or more;
 - c. 1 (one) Director or more.The Meeting of the Board of Directors shall appoint from amongst its members one as President Director, one or more as Vice President Director and one or more as Director.
2. Only Indonesian Citizens can be appointed as members of the Board of Directors, should they loss their Indonesian Citizenship they are then considered to have vacated their office automatically.
3. With due observance of the provisions in paragraphs 4, 5, 6, and 7 of this article 9, the members of the Board of Directors shall be appointed by the General Meeting of Shareholders for a term commencing from the date resolved at the General Meeting of Shareholders appointing them until the closing of the third Annual General Meeting of Shareholders following the date of their appointment.
4. Any member of the Board of Directors whose term of office has expired shall be eligible for re-election.
5. The General Meeting of Shareholders may remove a member of the Board of Directors prior to the expiration of his term of office. Such removal shall be effective on the time determined by such Meeting.

6. The General Meeting of Shareholders may appoint another person to replace a member of the Board of Directors removed from office under paragraph 5 of this article 9 or in case of a vacancy, without prejudice to other provisions in these Articles of Association. A person appointed in place of a member of the Board of Directors so removed or to fill such vacancy, or a person appointed as additional member to the existing members of the Board of Directors, shall be appointed for the period of time constituting the remaining term of office of the other members of the Board of Directors still in office.
7. A member of the Board of Directors may resign from his office upon giving at least 30 (thirty) days prior notice in writing to the Company of his intention to do so. Such resigning member of the Board of Directors may be called to account so long as such member of the Board of Directors has not been discharged from his responsibility by the next General Meeting of Shareholders.
8. The term of office of any member of the Board of Directors shall automatically terminate if such member of the Board of Directors:
 - a. is declared bankrupt or put under custody based on a court decision;
 - b. is removed as provided by paragraph 5 of this article 9;
 - c. is prohibited from being a member of the Board of Directors under the provisions of the prevailing laws;
 - d. resigns from his office by a written notice as provided by paragraph 7 of this article 9;
 - e. passed away.
9. The remuneration of members of the Board of Directors shall be determined from time to time by the Meeting of Board of Commissioners.
10. When the post of a member of the Board of Directors becomes vacant, which occurrence results in the number of the members of the Board of Directors becomes less than 3 (three), then a General Meeting of Shareholders shall be convened within 3 (three) months after the occurrence of the vacancy to fill such vacancy with due observance of the provisions of paragraph 2 of this article.
11. Each replacement of members of the Board of Directors shall be registered with the Registrar office of the District Court where the Company has its domicile and in the Company Registration in compliance with the provisions of Law number 3 of the year 1982 (one thousand nine hundred and eighty two).

DUTIES AND POWERS OF THE BOARD OF DIRECTORS

Article 10

1. The Board of Directors shall be fully responsible for assigning their duties for the benefit of the Company to achieve its purpose and objectives.
2. Each member of the Board of Directors is obliged to perform his duty as good as possible with due observance of the prevailing laws and these Articles of Association.
3. Without prejudice to the provisions of paragraph 4 of this article, the member(s) of the Board of Directors designated in writing by the Meeting of the Board of Directors shall be entitled and have the power to act for and on behalf of the Board of Directors.
4. The Board of Directors represents and commits the Company within and outside the Courts of Justice and has the power to perform for and on behalf of the Company all matters concerning management of the affairs of the Company and disposition of its assets, provided that a prior written approval from 3 (three) members of the Board of Commissioners shall be required for the following actions:
 - a. to acquire, dispose of immovable property or enterprise or enterprise separated from the Company;
 - b. to borrow money on behalf of the Company;
 - c. to lend money to other party;
 - d. to grant participation in the share capital of other Company;
 - e. to hypothecate, pledge or in other manner encumber the assets of the Company;
 - f. to bind the Company as a guarantor or avalist;

5. The distribution of work amongst the members of the Board of Directors shall be determined by Meeting of the Board of Directors.
6. Subject to their accountability, the Board of Directors shall be entitled to appoint one or more attorneys to act on behalf of the Board of Directors and for such purpose the Board of Directors shall give a written power of attorney, in which power of attorney the attorneys are authorized to perform certain acts.

MEETING OF THE BOARD OF DIRECTORS

Article 11

1. The Meeting of the Board of Directors may be called at any time if deemed necessary by at least 4 (four) members of the Board of Directors, provided that written notice for the meeting shall be hand delivered against proper receipt or shall be sent by registered mail or telegram or telex or facsimile (if the notice is served by telegram or telex or facsimile, then a written confirmation shall be sent as soon as possible), at least 5 (five) days before the Meeting is to be held, excluding the date of the notice and the date of the Meeting. The notice shall state the agenda, date, time and place of the Meeting. If all members of the Board of Directors are present and/or represented, such prior written notice is not required. The Meeting of the Board of Directors shall be held at the legal domicile of the Company or at other place in the Territory of the Republic of Indonesia as determined by the Board of Directors at a time and place determined by the member of the Board of Directors calling the Meeting.
2. The President Director shall preside over the meeting of the Board of Directors and in case the President Director is not present or not available, of which impediment no evidence to other parties shall be required, another member of the Board of Directors designated by such Meeting of the Board of Directors shall preside over the Meeting of the Board of Directors.
3. The Meeting of the Board of Directors shall be valid and entitled to take binding decisions only if more than 50% (fifty per cent) of the number of the members of the Board of Directors are present and or represented.
4. A member of the Board of Directors may be represented at a Meeting of the Board of Directors only by another member of the Board of Directors designated by a written power of attorney.
5. Resolutions of the Meeting of the Board of Directors shall be taken based upon the affirmative votes of more than 50% (fifty per cent) of the number of the members of the Board of Directors present and or represented.
6.
 - a. Each member of the Board of Directors shall be entitled to cast 1 (one) vote or in addition 1 (one) vote for each other member of the Board of Directors he represent.
 - b. Voting regarding persons shall be done in sealed ballot papers without signatures, voting regarding other matters shall be done orally, unless the Chairman of the Meeting determines otherwise without any objection from any one present and or represented.
7. Blank votes and void votes shall be considered not having been cast and thus being non-existent and shall not be counted in determining the total votes cast in the Meeting of the Board of Directors.
8. Minutes of the Meeting of the Board of Directors shall be drawn up by some one present at the Meeting designated by the Chairman of the Meeting and shall then be signed by the Chairman of the Meeting and one member of the Board of Directors designated for such purpose at the Meeting concerned to verify the completeness and accuracy of such Minutes. In case of any dispute with respect to the matters set forth in the Minutes of the Meeting of the Board of Directors, such matter shall be resolved in a Meeting of the Board of Directors, and the resolutions shall be adopted on the basis of affirmative votes of more than 50% (fifty per cent) of the total number of the members of the Board of Directors present and or represented. These Minutes shall serve as valid evidence for the members of the Board of Directors and for other parties regarding the resolutions adopted in the Meeting concerned. If the Minutes are drawn up by a notary, such signatures shall not be required.

9. The Board of Directors may also adopt lawful and binding decisions without convening a Meeting of the Board of Directors, provided that all members of the Board of Directors have been previously notified in writing regarding the proposal concerned, and more than 75% (seventy five percent) of the total number of the members of the Board of Directors have approved the proposal concerned by executing a written approval. Decisions of the Board of Directors so adopted shall have the same legal effect as decisions adopted in a Meeting of the Board of Directors.

BOARD OF COMMISSIONERS

Article 12

1. The Board of Commissioners shall consist of minimum 3 (three) members and maximum 8 (eight) members.
The composition of the Board of Commissioners is as follows:
 - a. one President Commissioner;
 - b. one Vice President Commissioner or more;
 - c. one Commissioner or more.The Meeting the Board of Commissioners shall appoint from amongst its members one as President Commissioner, one or more as Vice President Commissioner and one or more as Commissioner.
2. 3 (three) members of the Board of Commissioners designated by a Meeting of the Board of Commissioners shall act to represent the Board of Commissioners.
3. Only Indonesian Citizens can be appointed as members of the Board of Commissioners, should they loss their Indonesian Citizenship they are then considered to have vacated their office automatically.
4. The members of the Board of Commissioners shall be appointed by General Meeting of Shareholders for a term commencing from the date resolved at the General Meeting of Shareholders appointing them until the closing of the third Annual General Meeting of Shareholders following the date of their appointment, without prejudice to the rights of the General Meeting of Shareholders to remove them at any time.
5. A member of the Board of Commissioners whose term of office has expired is eligible for re-election.
6. A member of the Board of Commissioners may be removed by the General Meeting of Shareholders at any time even before the expiration of his term of office.
7. The General Meeting of Shareholders may appoint another person in place of a member of the Board of Commissioners removed from office under paragraph 6 of this article.
A person appointed in place of a member of the Board of Commissioners so removed or to fill said vacancy, or a person appointed as additional member to the existing members of the Board of Commissioners, shall be appointed for a period of time constituting the remaining term of office of the other members of the Board of Commissioners still in office.
8. A member of the Board of Commissioners may resign from his office upon giving at least 30 (thirty) days prior notice in writing to the Company of his intention to do so. Such resigning member of the Board of Commissioners may be called to account so long as such member of the Board of Commissioners has not been discharged from his responsibility by the next General Meeting of Shareholders.
9. The term of office of a member of the Board of Commissioners shall automatically terminate if such member of the Board of Commissioners:
 - a. is declared bankrupt or put under custody based on a court decision, or;
 - b. is removed as provided by paragraph 6 of this article 12, or;
 - c. is prohibited from being a member of the Board of Commissioners under the provisions of the prevailing laws, or
 - d. resigns from his office by a written notice as provided by paragraph 8 of this article 12, or;
 - e. passed away.
10. The members of the Board of Commissioners may receive such per diems or honoraria, as may be determined by the General Meeting of Shareholders.

11. When the post of a member of the Board of Commissioners become vacant which occurrence results in the number of the members of the Board of Commissioners becomes less than 3 (three), then a General Meeting of Shareholders shall be convened within 3 (three) months after the occurrence of the vacancy to fill such vacancy with due observance of the provisions of paragraph 3 of this Article.
12. Each replacement of members of the Board of Commissioners shall be registered with the Registrar Office of the District Court where the Company has its domicile and in the Company Registration in compliance with the provisions of Law number 3 of the year 1982 (one thousand nine hundred and eighty two).

DUTIES AND POWERS OF THE BOARD OF COMMISSIONERS

Article 13

1. The Board of Commissioners is charged with the duty to supervise the management of the Board of Directors.
2. The Board of Commissioners, both jointly or severally, at any time within office hours have the right of enter the building, premises and other places used by or occupied by the Company, and have the right to inspect the records, evidences, letters, and to inspect and examine cash position and others and to learn all acts performed by the Board of Directors.
3. The Board of Commissioners shall at the expense of the Company be entitled to ask the assistance of experts to perform said inspection.
4. The Board of Directors is obliged to give all pertinent information asked by the Commissioners which is necessary for such inspection and control.
5. The Board of Commissioners shall at any time by a majority of votes be entitled to suspend one or more members of the Board of Directors from their office when he/they has/have committed acts violating these Articles of Association or has/have neglected his/their duties.
Such suspension from office together with the reasons thereof shall be notified to the persons concerned.
6. Within 3 (three) months after such suspension, the Board of Commissioners is obliged to convene a General Meeting of Shareholders, which Meeting shall decide whether the suspended member of the Board of Directors shall be removed from his office or resumes his office, and the suspended member shall be given opportunity to attend the Meeting and to defend himself. This Meeting shall be presided over by the President Commissioner and if the President Commissioner is absent, and he does not designate another member of the Board of Commissioners to represent him, of which impediment no evidence to other parties is required, the Meeting shall be presided over by another member of the Board of Commissioners elected by the members of the Board of Commissioners present and/or represented in the Meeting.
7. In case such General Meeting of Shareholders is not held within 3 (three) months following such suspension, then said suspension shall cease automatically and such suspended member shall resume his office.

MEETING OF THE BOARD OF COMMISSIONERS

Article 14

1. Meeting of the Board of Commissioners shall be presided over by the President Commissioner. If the President Commissioner is absent or for any reason whatsoever does not attend the Meeting, and does not designate any other member of the Board of Commissioners to represent him, of which impediment no evidence to other parties shall be required, the Meeting shall be presided over by one member of the Board of Commissioners elected by the members of the Board of Commissioners present and or represented in the Meeting.
2. Meeting of the Board of Commissioners may be convened at any time and when it is deemed necessary by at least 5 (five) members of the Board of Commissioners, provided that written notice for the Meeting

shall be hand delivered against proper receipt, or shall be sent by registered mail or by telegram or telex or facsimile (if the notice is served by telegram or telex or facsimile, a written confirmation shall be given as soon as possible) at least 5 (five) days before the Meeting is to be held excluding the date of the notice and the date of the Meeting. The notice shall state the agenda, date, time and place of the Meeting. If all members of the Board of Commissioners are present or represented in the Meeting, such prior written notice shall not be required.

3. The members of the Board of Commissioners shall meet at a time and place designated by the President Commissioner or if the President Commissioner is absent, of which impediment no evidence to other parties shall be required, by the members of the Board of Commissioners calling the Meeting of the Board of Commissioners concerned, provided that the place of the Meeting shall be at the legal domicile of the Company or at any other place in the Territory of the Republic of Indonesia.
4. Meeting of the Board of Commissioners shall only be legal and may take lawful and binding decisions if more than 50% (fifty per cent) of the number of the members of the Board of Commissioners are present and or represented.
5. Resolutions of a Meeting of the Board of Commissioners shall be adopted based on the affirmative votes of more than 50% (fifty per cent) of the total number of the members of the Board of Commissioners present and or represented.
6. a. Each member of the Board of Commissioners present has the right to cast 1 (one) vote and in addition 1 (one) vote for each other member of the Board of Commissioners he represents.
b. Voting regarding persons shall be done in sealed ballot papers without signatures, voting regarding other matters shall be done orally, unless the Chairman of the Meeting determines otherwise without any objection from the members of the Board of Commissioners present.
7. Blank votes and void votes shall be considered not having been cast and thus being non-existent and shall not be counted in determining the total votes cast in a Meeting of the Board of Commissioners.
8. Minutes of a Meeting of the Board of Commissioners shall be drawn up by someone present at the Meeting designated by the Chairman of the Meeting and shall then be signed by the Chairman of the Meeting and by one member of the Board of Commissioners designated at the Meeting concerned for such purpose to verify the completeness and accuracy of such Minutes.
If the Minutes are drawn up by a notary, such signatures shall not be required.
9. The Minutes of a Meeting of the Board of Commissioners made and signed in accordance with the provision in paragraph 8 of this article shall serve as legal evidence both for members of the Board of Commissioners or for other parties concerning resolutions of the Board of Commissioners taken in the Meeting concerned.
10. A member of the Board of Commissioners may only be represented at the Meeting of the Board of Commissioners by any other member of the Board of Commissioners by virtue of a written power of attorney.
11. The Board of Commissioners may also pass lawful and binding resolutions without convening a Meeting of the Board of Commissioners, provided that all members of the Board of Commissioners have been previously notified in writing regarding the proposal concerned and more than 75% (seventy five per cent) of the total number of the members of the Board of Commissioners have approved such proposal as evidenced by a signed written approval. Decisions of the Board of Commissioners so adopted shall have the same legal effect as decisions adopted in a Meeting of the Board of Commissioners.

ACCOUNTING YEAR AND ACCOUNTS

Article 15

1. The accounting year of the Company shall commence on the first day of January and end of the thirty first day of December of the same year. The Company's books shall be closed at the end of December of every year.

2. As from the closing of the Company's books, a balance sheet and profit and loss account and such other financial statements as shall be deemed necessary or useful by the Board of Directors shall be prepared together with the annual report of the Board of Directors. The balance sheet, profit and loss account and other parts of the financial statements shall, after having been audited by a Public Accountant designated by the General Meeting of Shareholders, be signed on behalf of the Board of Directors and on behalf of the Board of Commissioners. Such documents shall be made available at the Company's office for inspection by the shareholders as from the date of the notice for the Annual General Meeting of Shareholders, which fact shall also be stated in the notice of such Annual General Meeting of Shareholders. Copies of such documents shall be made available for the shareholders at their written request at the Head office of the Company at least 14 (fourteen) days prior to the date of the Annual General Meeting of Shareholders.
3. Resolutions regarding approval on the balance sheet and profit and loss account shall be adopted by the Annual General Meeting of Shareholders in accordance with these Articles of Association. The approval of the Annual General Meeting of Shareholders of the balance sheet and the profit and loss account of the Company shall fully discharge the Board of Directors from its management liabilities, and shall fully discharge the Board of Commissioners from the responsibility for its supervisory actions performed during the accounting year related to such approved balance sheet and profit and loss account, to the extent such actions are reflected in the balance sheet and profit and loss account except for fraud, embezzlement and any other criminal acts.

GENERAL MEETING OF SHAREHOLDERS

Article 16

1. In these articles of association there are 2 (two) kinds of General Meetings of Shareholders i.e.:
 - a. Annual General Meeting of Shareholders is the General Meeting of Shareholders referred to in Article 17 hereinbelow.
 - b. Extraordinary General Meetings of Shareholders are all General Meetings of Shareholders other than the Annual General Meeting of Shareholders.
2. General Meeting of Shareholders shall mean in these Articles of Association both Annual and Extraordinary General Meetings of Shareholders, unless expressly indicated otherwise.
3. Unless otherwise provided in these Articles of Association, a General Meeting of Shareholders shall be lawful and shall be entitled to adopt lawful and binding decisions only if in the Meeting are present and or represented by proxy shareholders representing at least more than 50% (fifty per cent) of the total shares issued by the Company, without prejudice to other provision of these articles of association and such resolutions shall be approved by at least more than 50% (fifty per cent) of the persons present and/or represented, without prejudice to the provisions of article 24 of these articles of association.
4. Resolutions of the shareholders which is not taken in a General Meeting of Shareholders shall also binding if made in writing and approved and signed by Shareholders representing all issued shares of the Company. Such resolutions shall be considered having the same effect as a decision adopted in a General Meeting of Shareholders.

ANNUAL GENERAL MEETING OF SHAREHOLDERS

Article 17

The Annual General Meeting of Shareholders shall be held once a year not later than at the end of month of July every year, in which meeting:

- a. the Board of Directors shall report on the affairs of the Company and the financial administration of the past accounting year;
- b. the audited balance sheet and profit and loss account of the past accounting year audited by a public accountant shall be submitted for approval by the Meeting;

- c. appropriation of earnings of the preceding accounting years shall be determined.
- d. if necessary, member(s) of the Board of Directors and Board of Commissioners shall be elected and their remunerations shall be determined.
- e. a Public Accountant shall be appointed;
- f. such other matters shall be resolved as may be properly brought up before the Meeting on accordance with these Articles of Association.

EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

Article 18

1. The Extraordinary General Meeting of Shareholders shall be held whenever it is deemed necessary by the Board of Directors.
2. The Board of Directors is obliged to call and convene an Extraordinary General Meeting of Shareholders upon the written request of the Board of Commissioners or one or more shareholders representing at least 35% (thirty five per cent) of the total issued shares of the Company; which request shall state the matters to be dealt with.
3. If the Board of Directors fails to call an Extraordinary General Meeting of Shareholders within 3 (three) months after receipt of such request, then the persons signing such request shall be entitled to call such Meeting at the expense of the Company, with due observance of the provisions stipulated in these Articles of Association; at which Meeting the Chairman of the Meeting shall be elected by and from amongst those present, and all decisions of such Meeting shall be binding on the Company as long as it is not in violation to these articles of association.

PLACE AND NOTICE OF GENERAL MEETING SHAREHOLDERS

Article 19

1. Without prejudice to other provisions in the Articles of Association of the Company, General Meeting of Shareholders shall be held at the legal domicile of the Company.
2. At least 14 (fourteen) days prior to the announcement of notice for a General Meeting of Shareholders, the party entitled to serve the notice shall inform the shareholders by placing an advertisement in at least 2 (two) daily newspapers in the Indonesian language with wide circulation in Indonesia and one of which circulates at the domicile of the Company as determined the Board of Directors that a General Meeting of Shareholders will be held.
3. Notice for a General Meeting of Shareholders shall be given to the shareholders by an advertisement in at least 2 (two) daily newspapers in the Indonesian language with wide circulation in Indonesia and one of which circulates in the domicile of the Company as determined by the Board of Directors. Notice for an Extraordinary General Meeting of Shareholders shall be given at least 14 (fourteen) days before the date of the Extraordinary General Meeting of Shareholders, whereas notice for an Annual General Meeting of Shareholders shall be given at least 21 (twenty one) days before the date of the Annual General Meeting of Shareholders, excluding the date of the notice and the date of the Meeting.
4. The notice shall state the place, date and time as well as the agenda of the Meeting and notices for an Annual General Meeting of Shareholders shall be accompanied by a notification that the balance sheet and profit and loss account for the past accounting year are available for inspection by the shareholders at the Head office of the Company as from the date of the notice referred to in paragraph 3 of this article and that copies of the balancesheet and profit and loss account for the past accounting year can be obtained from the Company upon written request of the shareholders, which request shall be received at the Head office of the Company at least 14 (fourteen) days before the Annual General Meeting of Shareholders concerned is to be held. Without prejudice to other provisions of these articles of association, the notice shall be served by the Board of Directors or Board of Commissioners according to the manner provided in these articles of association.

5. If all shareholders are present and or represented in a General Meeting of shareholders, prior notification and notice shall not be required and the Meeting may be held anywhere in the Territory of the Republic of Indonesia and shall be entitled to take legal and binding decisions.
6. Proposals by shareholders shall be included in the agenda of a General Meeting of Shareholders if:
 - a. the proposal concerned has been submitted in writing to the Board of Directors by 1 (one) or more shareholders representing at least 20% (twenty per cent) of the total shares issued by the Company;
 - b. such proposals have been received at least 7 (seven) days prior to the giving of notice for the Meeting concerned, and;
 - c. the proposal is in the opinion of the Board of Directors considered directly relevant to the business of the Company and with due regard to the other provisions in these Articles of Association.

CHAIRMANSHIP AND MINUTES OF THE GENERAL MEETING OF SHAREHOLDERS

Article 20

1. Unless otherwise provided in these articles of association, any and all General Meeting of Shareholders shall be presided over by the President Director, if the President Director is absent or unable to attend the Meeting, of which impediment no evidence to other parties shall be required, and in such case the President Director does not designate other member of the Board of Directors to preside over the Meeting, the Meeting shall be presided over by another member of the Board of Directors, and if there is no member of the Board of Directors at all present, the Meeting shall be presided over by the President Commissioner, and if the President Commissioner is absent or unable to attend the Meeting, of which impediment no evidence to other parties shall be required, the Meeting shall be presided over by another member of the Board of Commissioners, and if there is no member of the Board of Commissioners at all present, the Meeting shall be presided over by a person elected from amongst those present.
2. Each Minutes of the General Meeting of Shareholders must be drawn up by notary. These Minutes shall serve as valid evidence of all resolutions in the meeting concerned and of the event occurred in the meeting concerned, for all shareholders and other parties.

RESOLUTIONS AND VOTING RIGHT

Article 21

1. Unless otherwise provided in these Articles of Association, all resolutions shall be adopted on the basis of more than 50% (fifty per cent) of total votes lawfully cast.
2. Each share shall grant to its holder the right to cast 1 (one) vote.
3. Voting concerning persons shall be in writing but shall be unsigned and shall be in closed form, unless the Chairman of the Meeting permits other manner of voting, if there is no objection from majority of votes cast in the Meeting. Voting concerning other matters shall be done orally, unless the majority of votes legally cast in the Meeting request voting by a secret ballot.
4. In case of a tie vote, in matters regarding persons, the decision shall be taken by drawing lots. In other matters, the proposal shall be deemed rejected.
5. Each proposal to be put forward by the shareholders during discussions or voting in a General Meeting of Shareholders shall fulfil all of the following requirements:
 - a. such proposal shall be directly connected with one of agenda items of the Meeting concerned;
 - b. such proposal shall be put forward by shareholders representing at least 35 (thirty five per cent) of the total issued shares of the Company, and;
 - c. such proposal shall be in the opinion of the Board of Directors considered directly relevant to the business of the Company.

Proposals for the election of members of the Board of Commissioners and the Board of Directors shall have been received by the Board of Directors at least 7 (seven) days prior to the Meeting.

6. Shareholders may be represented in a General Meeting of Shareholders by any other person by virtue a proxy, but members of the Board of Directors, members of the Board of Commissioners and employees of the Company are not allowed to act as proxies of shareholders of the Company in a General Meeting of Shareholders and for the casting of votes in a General Meeting of Shareholders. Votes cast by them as proxies shall not be valid. The proxy shall be made and signed in the form as determined by the Board of Directors of the Company without prejudice to prevailing regulations having the force of Laws with respect to evidence in civil law, and shall be submitted to the Board of Directors at least 3 (three) working days before the date of the General Meeting of Shareholders concerned.
7. Shareholders may also take lawful and binding decisions without convening a General Meeting of Shareholders, provided the proposal concerned has been notified in writing to all shareholders of the Company and all shareholders have approved the proposal concerned by giving a signed statement to evidence their approval. Such decision shall be considered having the same lawful effect as a decision adopted in a General Meeting of Shareholders.
8. Blank votes and void votes shall be considered not having been cast and thus being non-existent and shall not be counted in determining the total votes cast.

APPROPRIATION OF PROFIT

Article 22

1. Net profit of the Company for each year as specified in the balance sheet and profit and loss account which have been approved by the Annual General Meeting of Shareholders shall be divided in the manner determined by the General Meeting of Shareholders based on proposal forwarded by the Board of Directors; which Meeting shall decide whether a reserve fund shall be provided or not with due observance of the prevailing Laws.
2. If the Board of Directors deems the amount of the reserve fund is enough, then upon its proposal, the Meeting may determine/decide that part of the profit allocated for the reserve fund shall be divided or used for other need.
3. Dividends shall only be paid based on and in accordance with a resolution adopted in a General Meeting of Shareholders, which resolution shall also determine the time and manner of payment of the dividends, with due observance of the prevailing regulations of the Stock Exchanges in Indonesia, at the places where the shares of the Company are listed. A dividend for a share shall be payable to the person in whose name the share is entered in the register of shareholders of the Company on a working day to be determined by or on the authority of the General Meeting of Shareholders in which the resolutions for the distribution of dividends is adopted. The payment day shall be notified to all shareholders by the Board of Directors. Paragraph 2 of article 19 shall mutatis mutandis be applicable to such notification.
4. From the net profit before income tax, a bonus can be given to the members of the Board of Directors and Board of Commissioners in the amount determined by the Board of Directors, provided that the amount of such bonus shall not exceed 5% (five per cent).
5. Based on a resolution of the Meeting of the Board of Directors, interim dividends may be declared if the financial position of the Company so permits, provided that such interim dividends shall be offset against the dividends declared based on resolutions of the subsequent Annual General Meeting of Shareholders adopted in accordance with the provisions of these articles of association and with due observance of the prevailing regulations of the Stock Exchanges in Indonesia, at the places where the shares of the Company are listed.
6. In case the account of profit and loss in 1 (one) accounting year shows a loss which cannot be covered by the reserve fund, then the loss shall remain recorded as such in the profit and loss statement, and for the succeeding years the Company shall not be deemed as having made a profit as long as the loss recorded as such in the profit and loss statement has not been fully covered.
7. Dividends left unclaimed after 5 (five) years counted from the day they are payable shall become the property of the Company.

RESERVE FUND

Article 23

1. The reserve fund shall be used to cover losses incurred by the Company, but the General Meeting of Shareholders may determine that the whole or part of the reserve fund shall be used for working capital outlays or for other purposes, but only for the benefit of the Company.
2. The Board of Directors shall manage and deposit the reserve fund in order that such reserve fund shall gain profit, one and other in the manner they deem appropriate, with the approval from the Board of Commissioners.
3. Any profit earned from such reserve fund shall be entered in the profit and loss account of the Company.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 24

1. Amendments to the provisions of these articles of association, including change of name, domicile, objectives and purposes of the Company, to liquidate the Company prior to the expiration of the period or to extend the period of time, to increase or to reduce the Company's authorized capital (a resolution regarding reduction of the authorized capital shall be published by the Board of Directors in the State Journal of the Republic of Indonesia and in daily Indonesian newspapers published in the domicile of the Company for the benefit of the creditors), can only be effected by virtue of a resolution of a General Meeting of Shareholders held only for purposes of those amendments; at which Meeting shareholders representing more than 2/3 (two thirds) of the total issued shares of the Company shall be present or represented, and such resolution shall be approved by more than 2/3 (two thirds) of the total number of votes legally cast in the Meeting.
2. If in the Meeting referred to in the previous paragraph the number of shares represented is not sufficient to reach the quorum required, then within 14 (fourteen) days and not sooner than 7 (seven) days after the first Meeting, a second Meeting may be convened under the same conditions and agenda as required for the first Meeting; at which Meeting decisions may be made on proposal forwarded in the first Meeting and the decisions is legal provided that at least more than 50% (fifty per cent) of the total number of votes legally cast approve such decisions.
3. One and other without prejudice to the approval of the competent authorities so far it is required.

LIQUIDATION

Article 25

1. In the event the Company is liquidated, then a liquidation shall be carried out by the Board of Directors under the supervision of the Board of Commissioners, unless the General Meeting of Shareholders shall determine otherwise.
2. In such Meeting the honorarium for the liquidator shall be determined.
3. The decisions to liquidate shall be registered with the Registrar's office of the District Court ("Kantor Panitera Pengadilan Negeri") where the Company has its domicile and shall be announced in the State Journal of the Republic of Indonesia and in daily newspaper in the Indonesian language which publishes in the legal domicile of the Company together with a notice thereof to the creditors.
4. The balance of the liquidation shall be divided among the shareholders and each shareholders shall be entitled to receive part in proportion to the fully paid up nominal value of the shares owned by them and the rest shall be divided according to the manner determined by the General Meeting of Shareholders held especially for such purpose.
5. The Articles of Association as set forth in this deed or later amendments, shall remain in force until the date the accounts of the liquidation are ratified in a General Meeting of Shareholders and a full discharge of responsibility is given to the liquidators.

OTHER PROVISIONS

Article 26

1. Regarding the implementation of these articles of association the shareholders of the company shall be deemed having chosen permanent and general domicile at their respective addresses as recorder in the register of shareholders.
2. All matters that are not provided for or not adequately covered in these articles of association shall be decided by the General Meeting of Shareholders in accordance with these articles of association.

XX. TERMS AND CONDITIONS OF APPLICATION FOR THE SUBSCRIPTION OF SHARES

1. Shares Subscription Application

Application for the subscription of shares must be made in accordance with conditions set forth in the Share Subscription Application Forms. Share Subscription Applications Forms can be obtained from the Underwriters or Sales Agents whose names are listed in Chapter XX of this prospectus. Applications must be made by using the Shares Subscription Application Forms issued by the Underwriters in quintuplicate. Applications may also be made by using photostatic copies of the original of the Share Subscription Application Forms or the Shares Subscription Application Forms as advertised in the newspaper in quintuplicate. Shares Subscription Applications made in deviation from these conditions shall be rejected.

2. Eligible Applicants

Individual or Institution/Business Entity such as provided for in the Decree of the Minister of Finance of the Republic of Indonesia No. 1055/KMK.013/1989 dated 16 September 1989, regarding the Application for the purchase of Shares by Foreign Investors through the Capital Market, in conjunction with the Decree of the Minister of Finance of Republic of Indonesia No. 1548/KMK.013/1990, dated 7 December 1990 regarding the Capital Market and the Decree of the Minister of Finance of the Republic of Indonesia No. 1199/KMK.010/1991 dated 30 November 1991.

3. Number of Shares Applied

Shares Subscription Application shall be for a minimum of 100 (one hundred) shares and in multiples of 100 (one hundred) shares.

4. Submission of Shares Application

Prior to the closing of the Offering Period, applicants must have submitted their applications during normal business hours to the Underwriters or Sales Agents, from whom the Share Subscription Application Forms can be obtained.

5. Offering Period

The Offering Period shall commence on 21 October 1992 and shall end on 27 October 1992 at 12:00 Western Indonesian Time. Nevertheless, if the total number of shares applied are oversubscribed, then the Managing Underwriter with prior notice to the Capital Market Supervisory Agency (BAPEPAM) may shorten the offering period, provided, however the period may not be less than 3 (three) working days.

6. Last Date of Allotment

The last date of allotment by which the Managing Underwriter and the Company shall determine the number of allotted shares for each applicant is.

7. Special Shares Subscription Applications

Special application at the offer price by the Company's employees, during the Offering Period may be submitted directly to the Company, without the brokerage of the Underwriters or Sales Agents, provided, however such applications may not exceed 10% (ten per cent) of the total shares offered.

8. Terms of Payment

Payment may be made in cash, by cheque or by bank draft in rupiah payable to the Underwriters or Sales Agents at the time of submission of the Shares Subscription Application Form. All bank and transfer charges in respect of the payment shall be borne by the Applicant. All cheques and bank drafts

will be cashed immediately upon receipt. If in the event that checks and bank drafts are dishonoured by the Bank, the application for the purchase of such shares will be cancelled. In the case of Special Applicants, payment shall be effected directly to the Company.

9. Proof of Receipt

The Underwriters or Sales Agents to whom the Share Subscription Applications Forms are submitted shall return to the Applicants a copy of the Share Subscription Application Form or photocopies of the fifth copy of the Share Subscription Application Forms duly signed (original signature), as evidence of receipt of the Shares Subscription Application Form. This Share Subscription Application Receipt does not constitute a guarantee that the application will be accepted. With regard to Special Applications, the Share Subscription Application Receipt shall be issued by the Company.

10. Allotment of Shares

If the total number of shares being applied for exceeds the number of Shares offered, allotment will be determined by each of the Underwriters based on the principle of the widest distribution of ownership of the shares under offer with the priority to applications of subscription of shares in small number.

The allotment will be made according to the order of the submission of the applications or by drawing, therefore the rejected application may occur and if the applications are accepted, the allotment may not be less than 100 (one hundred) shares. Allotment for special applications by the Company's employees shall be granted with the provision that such allotments shall not exceed 10% of the total number of shares under offer.

11. Cancellation of the Public Offer

Prior to and during the Offering Period, the Company and the Managing Underwriters shall have the right to cancel this Public Offer based on the provisions contained in the Underwriting Agreement.

12. Refunds

If Share Subscription Applications are rejected in full or in part or in the event of a cancellation of this Public Offer, refund of payments in rupiah will be made by the Underwriters or Sales Agents at the place of submission of the Application concerned. Refunds shall be effected no later than 4 (four) working days after the last date of allotment or the date of announcement of cancellation of the Public Offer. The cancellation of the Public Offer and the refundment will bear interest at the rate according to the interest rate of the bank generally apply commencing on the fifth day after the Last Date of Allotment. Refunds can only be collected upon surrender/presentation of the Share Subscription Application Receipt. The Applicant shall not be charged any bank or transfer charges for the refunded sum. In the case of Special Applications, refunds shall be arranged and effected directly by the Company.

13. Delivery of Share Certificates/Collective Share Certificates

No later than 6 (six) working days after the Last Date of Allotment, or no later than one (1) stock exchange working day prior to the date of listing, the Share Certificates or the Collective Share Certificates of the Company for the allotted number of shares shall be made available for their respective owners. Delivery of the Share Certificate/Collective Share Certificate shall be done by the Underwriters at the place where the Shares Subscription Application is submitted. Share Certificates/Collective Certificates may only be collected upon presentation of the Receipt of the Share Subscription Application Form. Presentation of Share Certificates/Collective Share Certificates to Special Applicants shall be effected directly by the Company.

14. Miscellaneous

The Managing Underwriter and the Issuer shall have the right to accept the Shares Subscription Applications in whole or in part if possible with giving priority to accept applications of subscription of shares in small number. Multiple applications submitted in more than one Applications Form will be treated as only one application for allotment purposes.

The prospectus and Share Subscription Application Forms are available at the offices of the Underwriters and the appointed Selling Agents namely stock brokers, the members of Jakarta Stock Exchange and Surabaya Stock Exchange:

XXI. DISTRIBUTION OF PROSPECTUS AND SHARES SUBSCRIPTION APPLICATION FORM

1. Managing Underwriters

PT Wi Carr Indonesia (Representative)

Wisma Dharmala Sakti 19th Change
Jl. Jenderal Sudirman No. 32
Jakarta 10220
Phone : 5707209, 5708000

PT Indovest Securities

Menara BDN 11th Change
Jakarta 10340
Phone : 3802182, 3802183

2. Underwriters

PT MAKINDO

BNI Building 27th Floor
Jl. Jend. Sudirman Kav. 1, Jakarta
Phone : 5702664, 5701793, 5702672

PT SINAR MAS EKA GRAHA

Royal Oriental Building
Jl. MH Thamrin Kav. 22 Jakarta
Phone : 3105116, 3104646

PT KES SINAR MAS SECURITIES

Jl. Timor No. 5 Jakarta
Phone : 3104646

PT DAIWA INDONESIA SECURITIES

Bank Pacific Building, 14th Floor

Jl. Jend. Sudirman Kav 7 - 8 Jakarta 10220
Phone : 5706823 / 4

PT ASIAN DEVELOPMENT SECURITIES

BNI Building 27th Floor
Jl. Jend. Sudirman Kav. 1, Jakarta
Phone : 5705125

PT BT PRIMA SECURITIES INDONESIA

Landmark Centre 20th Floor
Jl. Jend. Sudirman No. 1, Jakarta
Phone : 5707000

PT GAJAH TUNGGAL DBS SECURITIES

Wisma Rajawali 12th Floor
Jl. Jend. Sudirman Kav. 34, Jakarta
Phone : 5708585

PT (PERSERO) DANAREKSA

Setiabudi Atrium 5th Floor
Jl. HR Rasuna Said, Jakarta
Phone : : 5210347, 5210344

PT PENTASENA ARTHASENTOSA

World Trade Centre 9th Floor
Jl. Jend. Sudirman Kav. 29 -30, Jakarta
Phone : : 5211602

PT LIPPO SECURITIES

Lippo Centre 8th Floor
Jl. Jend. Gatot Subroto Kav. 33 - 35 , Jakarta
Phone 5205388, 5205608, 5205645, 5205676

3. Selling Agent, namely stock brokers member of Jakarta Stock Exchange

PT APERDI

Gedung Bursa, 3th Floor - Km. 304, 308, 309
Jl. Merdeka Selatan No. 14, Jakarta
Phone 353054, 378042

PT ANUGERAH SECURINDO INDAH

Jl. H. Agus Salim No. 11, Jakarta
Phone 354031, 371479

PT ASJAYA INDOSURYA SECURITIES

Jl. Tanah Abang III / 22, Jakarta
Phone 3805935, 38059936

PT ASTRA SECURITIES

Jl. Tanah Abang II / 43, Jakarta Phone 374648

PT AKSARA KENCANA

Jl. Prapatan Raya No. 20, Jakarta
Phone 3107766-67, 348198

PT AGRIDHANASATYA PERMATA

Jl. Kali Besar Barat No. 50, GG, Jakarta
Phone 6905129, 6906908, 6903334

PT ASPAC-UPPINDO SECURITAS

Gedung Uppindo 4th Floor
Jl. HR Rasuna Said Kav. C-19, Jakarta
Phone 8297166, 5221150-55

PT BHAKTI INVESTAMA

Komplek Kantor Greenville
Blok A W No. 47, Jakarta
Phone 592599, 5605652, 5605675

PT BAHAMINDO GUNA

Gedung Balva 4th Floor
Jl. Hayam Wuruk No. 27, Jakarta
Phone 367630

PT BUANA SECURITIES

Jl. Asemka No. 34, Jakarta
Phone 674841, 6901740

PT BOMAR SECURITIES

Setiabudi Building I, Block B 4th Floor
Jl. HR Rasuna Said, Jakarta
Phone 5220545, 5210620

PT CIPTA DANA SEJATIRAYA

Pintjoe Building 6th Floor
Jl. Gajah Mada No. 163, Jakarta
Phone 6007391, 6007394

PT CITRAMAS SECURINDO

Wisma Metropolitan I, 11th Floor
Jl. Jend Sudirman Kav. 29, Jakarta
Phone 510609, 5207123

PT DANATAMA MAKMUR

Jl. Tanah Abang II No. 70 Jakarta Pusat
Phone 362173, 082-12-5077

PT DEEMTE ARTADHARMA

Wisma Dharmala Sakti 19th Floor
Jl. Jend. Sudirman No. 32, Jakarta
Phone 5701608, 583702

PT DHANAMAS BUANA WIRASTA

Gedung Bursa 3th Floor
Jl. Medan Merdeka Selatan No. 14 Jakarta
Phone 365509 Ext. 181

PT DANAMON SECURITIES

Jl. Pecenongan No. 5 B - C Jakarta 10710
Phone 360312 / 342

PT DHANAPASIFIK SECURITAS

Jl. Hati Suci No. 1, Jakarta Pusat
Phone : 3101033 - 4, 3104085

PT FICORITAS

Ficorinvest Building 3th Floor
Jl. HR. Rasuna Said Kav. C 18, Jakarta
Phone 8298822, 8298966

PT GAWANG REJEKI

Jl. Cimahi No. 11, Jakarta Phone 3902937, 365508

PT INTIFIKASA SECURINDO

Jl. Raya Mangga Besar No. 146, Jakarta Pusat
Phone 6390393, 6299081

PT INTER-PACIFIC SECURITIES

Wisma Metropolitan II, 9th Floor
Jl. Jend. Sudirman Kav. 31., Jakarta
Phone 5711095

PT KOLIBINDO PERKASA

Enseval Building
Jl. Letjen Suprpto, Jakarta
Phone 413908

PT KAPITA SEKURINDO

Menara BDN 12th Floor
Jl. Kebon Sirih 83, Jakarta
Phone 3800800

PT MITRA DUTA SEKURITAS

Sampoerna Plaza 10th Floor

Jl. H.R. Rasuna Said Kav. X - 7 No. 6, Jakarta
Phone 8503997

PT MASHILL JAYA SEC.

Jl. Hayam Wuruk 45, Jakarta
Phone 6396099

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