

Number: KSEI-0618/DIR/0503

2nd 2003

Jakarta, May

Att.: -

To:

Account Holders

PT Kustodian Sentral Efek Indonesia

Ref. : **General Meeting of Shareholders (RUPS)**

Gentlemen,

With the bringing into effect of Bapepam Regulation Number III.C.7 regarding Securities Sub Accounts in Central Depository and Settlement Institutions as of May 1st 2003 and in anticipation of the implementation of corporate action, specifically the General Meeting of Shareholders, we herewith convey the following matters:

1. The Opening of Security Sub Accounts

Account Holders (Securities Companies and Custodian Banks) are obligated to open a Securities Sub Account for each of their customers/Investors. Investors that are registered in a Securities Sub Account are recognized as the valid owner of benefits upon the amount of Securities registered in the respective Securities Sub Account and is entitled to receive rights upon Securities at times of distribution related to the implementation of certain corporate actions, including attending General meetings of Shareholders (RUPS).

2. List of Account Holders (DPR)

The List of Account Holders (DPR) issued by KSEI for Issuers is a document list of Securities ownership to be used as reference by Issuers for distribution in regard to the conduct of certain corporate actions and issuing of Written Confirmation for RUPS (KTUR). The DPR is made based on Investor data

stipulated in the Securities Sub Account on the recording date which is determined by the issuer in order to receive rights upon corporate action, including receipt of KTUR to attend RUPS. The DPR is final, therefore Account Holders are unable to forward any revision/correction for any reason thereto.

3. Tax upon corporate action Proceeds

Taxes arising in the event of distribution in relation to the exercising of certain corporate action are borne by the Investor in compliance with prevailing regulations on Taxation. The amount of tax imposed refers primarily to Investors data stated in the DPR per recording date. In such a case whereas a Securities Sub Account has not been opened for the Investor, then it is the tax rate imposed on the Account Holder that will be applied. Settlement of such a matter of taxation is fully the responsibility of the respective Account Holder.

4. Written Confirmation for RUPS (KTUR)

- a. KTUR is the document that stipulates the right of a Shareholder to attend the General Meeting of Shareholders (RUPS) and is issued based on Investor data stated in the DPR per-recording date. Thereby, Investors registered in the DPR will obtain a KTUR and be entitled to attend the RUPS.
- b. The Account Holder is obligated to distribute KTUR to each of its investors. Any act of negligence in the distribution of KTUR resulting into an Investor's non-attendance in a RUPS becomes the responsibility of the respective Account Holder.
- c. An Investor that is not registered in the DPR for not having been made a Securities Sub Account by the Account Holder will not obtain a KTUR and thereby forfeits his right to attend the RUPS.
- d. In the conferring of Power of Attorney to attend RUPS, the following matters are to be considered:
 - i. Such a Power of Attorney can only be given by the Shareholder (Investor) in accordance with the KTUR to a third party in compliance with prevailing laws.
 - ii. In the case whereas the Investor is not in possession of a Securities Sub Account, as the Account Holder has not opened one for him, the

KTUR will be issued in the name of the respective Account Holder. The Account Holder is not entitled to confer such power to the respective Investor.

- iii. The conferring of Power of Attorney to attend a RUPS by the Account Holder can only be granted for its own Shares portfolio. The conferring of such power should also only be granted to an employee of the Account Holder in consideration of the following matters:
 - (a) The conferring of such power is represented by all the Shares of the Shareholder registered in the DPR, and not part of it (*partial*).
 - (b) Such a Power of Attorney must not characterize substitution.

We find it necessary to again admonish you on the socializing of opening Securities Sub Accounts to investors considering that violations toward provisions governing Securities Sub Accounts will be reported to the Stock Exchange and Bapepam to further be acted upon in accordance with prevailing laws.

It is therefore conveyed for the consideration of all Account Holders. We thank you for your kind attention.

Yours truly,

PT Kustodian Sentral Efek Indonesia

Benny Haryanto
President Director

Bambang Indiarso
Director

Cc.:

1. Head of the Transactions and Securities Institutions Bureau - Bapepam
2. Board of Commissioners - PT KSEI