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Offering period	: May 20 - May 29 1991
Allotment date	: June 13, 1991
Refund Date	: June 17 1991
Listing date	: July 1 1991

PROSPECTUS



P.T. KURNIA KAPUAS UTAMA GLUE INDUSTRIES

Engaging in the formaldehyde and thermosetting adhesive industry
 (industry of glue for plywood and particle board)
 Domiciled in Pontianak

Head Office: Jl. Teluk Betung No. 43, Jakarta 10230

Tel: 3101189; Tlx.: 61873; Facs.: 3102951

Factory: Jalan Adisucipto Km 8, Pontianak

Tel: (0561) 34455, 34861; Tlx.: 29275, 29202; Facs.: (0561) 36651

Representative Offices:

Jalan Adisucipto Km 8, Pontianak

Tel: (0561) 34455, 34861; Tlx.: 29275, 29202; Facs.: (0561) 36651

Jalan Sei Rendang No. 94, Palembang

Tel: (0711) 311489, 311697; Tlx.: 27154; Facs.: (0711) 311554

Public Offering

4,500,000 Registered Common Shares with nominal value of Rp 1,000.-
 per share offered at Rp 5,700.- per share payable in full upon
 submission of the Share Purchase Application Form.

Lead Underwriters

P.T. First Indonesian Finance and Investment Corporation (FICORINVEST)

P.T. Sun Hung Kai Securities Indonesia

P.T. Niki Asiasecurindo

Managing Underwriter

P.T. First Indonesian Finance and Investment Corporation (FICORINVEST)

P.T. Sun Hung Kai Securities Indonesia

Participating Underwriters

CEF Andromeda Securities

P.T. Merchant Investment Corporation (MERINCORP)

P.T. Multinational Finance Corporation (MULTICOR)

P.T. Sinar Mas Eka Graha

This prospectus is published in Jakarta on May 19, 1991

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TABLE OF CONTENTS

I	The Public Offering	
II	Purpose of the Public Offering	4
III	Use of proceed of the Public Offering	5
IV	Company Profile	6
	1. Brief history	6
	2. Management and Supervisory Bord	7
	3. Organizational Structure and Advisory Committee	11
	4. Human Resources	12
V	The Company's Business and Prospects	14
	1. The Industry	14
	2. Production	14
	2.1 Supply of raw materials	16
	2.2 Production process	16
	2.3 The Company's past performance	21
	2.4 Quality Control	21
	2.5 Research and development	22
	2.6 Analysis on the effect to the environment	22
	3. Marketing aspect	22
	3.1 Distribution channel	22
	3.2 Market share	23
	3.3 Sales	24
	4. Prospect of the Company	25
VI	Investment in Subsidiary - P.T. Susel Prima Permai	26
VII	Risk factors	30
VIII	Financial Highlights	32
IX	Stockholders' Equity	35
X	Dividend Policy	37
XI	Taxation	38
XII	The Underwriters	39

XIII	Capital Market Supporting Professionals	40
XIV	Legal Opinion	41
XV	Report from the Appraisal Company	54
XVI	Auditor's Report and the Financial Statement	61
XVII	Articles of Association	86
XVIII	Terms and Conditions for Application	100
XIX	Distribution of the prospectus and Share Application Forms	102



The Underwriters, on behalf of P.T. Kurnia Kapuas Utama Glue Industries, offers 4,500,000 Registered Common Shares with nominal value of Rp 1,000.- per share offered at Rp 5,700.- per share.



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Tel: (0711) 311489, 311697; Tlx: 27154; Facs.: (0711) 311554

PARTICULAR RISK ASSOCIATED WITH THE BUSINESS OF THE COMPANY

THE MAIN RAW MATERIAL, METHANOL, IS SUPPLIED BY PERTAMINA WHICH IS THE ONLY SUPPLIER IN THE COUNTRY. ANY BREAKDOWN IN THE METHANOL PLANT WILL DISTURB THE SUPPLY OF METHANOL IN THE COUNTRY. ANY DELAY OR SHORTAGE IN SUPPLY OF METHANOL WILL, EVENTUALLY, AFFECT THE PRODUCTION OF FORMALDEHYDE

P.T. Kurnia Kapuas Utama Glue Industries, here in after referred to as the "Company", was established on July 8, 1981 under Notarial Deed No 32 of Notary Didi Sudjadi SH, Notary in Jakarta. The Articles of Association was approved by the Ministry of Justice through its Decision Letter No. J.A.5/27/4 dated March 16, 1982 and registered at the Office of the District Court of Pontianak No. 193/1982 dated July 31, 1982 and published in the Supplement No. 690 of the Indonesian State's Gazette No. 40 dated May 20, 1986.

The Articles of Association have been amended several times and based on the resolutions of the General Shareholders Meeting held on August 28, 1990, and for the purpose of Public Offering, the Articles of Association was amended entirely through Deed No. 716 dated August 28, 1990 juncto No. 356 dated October 20, 1990 of Notary Henny Shidki, SH, Notary in Jakarta and approved by the Ministry of Justice by its Decision Letter No C2-933.HT.01.04.TH.91 dated March 18, 1991. The amendment include, amongst other, the increase of the Authorized Capital from Rp 5,000,000,000.- (five billion Rupiah) to Rp 35,000,000,000.- (thirty five billion Rupiah).

The Company's Capital Structure at the time of the publication of this prospectus is as follows:

Capital Stock

Nominal Value of Rp 1,000.- per share		
Authorized Capital	Subscribed and Fully Paid	Offered to the Public
Number of Shares 35,000,000	20,500,000	4,500,000
Nominal Value (Rp) 35,000,000,000	20,500,000,000	4,500,000,000

The offered shares are new issued shares which will have equal rights in all respects with shares already subscribed and fully paid up registered shares.

The composition of the Company's shareholders before and after the Public Offer is presented below:

Before Public Offering				After Public Offering		
	Number of Shares	Nominal Value (Rp)	%	Number of Shares	Nominal Value (Rp)	%
Authorized Capital	35,000,000	35,000,000,000	-	35,000,000	35,000,000,000	-
Subscribed Capital	20,500,000	20,500,000,000	100.00	25,000,000	25,000,000,000	100.00
Paid up Capital:						
Soenaryo Priosoesanto	5,000,000	5,000,000,000	24.39	5,000,000	5,000,000,000	20.00
Adijanto	5,000,000	5,000,000,000	24.39	5,000,000	5,000,000,000	20.00
Lukman Priosoesanto	1,300,000	1,300,000,000	6.34	1,300,000	1,300,000,000	5.20
Satia Priosoesanto	1,300,000	1,300,000,000	6.34	1,300,000	1,300,000,000	5.20
Pintarso Adijanto	1,300,000	1,300,000,000	6.34	1,300,000	1,300,000,000	5.20
Winoto Adijanto	1,300,000	1,300,000,000	6.34	1,300,000	1,300,000,000	5.20
Swandono Adijanto	1,300,000	1,300,000,000	6.34	1,300,000	1,300,000,000	5.20
Suparno Adijanto	1,300,000	1,300,000,000	6.34	1,300,000	1,300,000,000	5.20
Pandjijono Adijanto	1,300,000	1,300,000,000	6.34	1,300,000	1,300,000,000	5.20
Mrs. Adiono	528,000	528,000,000	2.58	528,000	528,000,000	2.11
P.T. Kurnia Musi Plywood Industrial Company Limited	300,000	300,000,000	1.46	300,000	300,000,000	1.20
P.T. Kurnia Kapuas Plywood Industrial Company Limited	300,000	300,000,000	1.46	300,000	300,000,000	1.20
Mimi Purnomo	149,000	149,000,000	0.73	149,000	149,000,000	0.60
Antje	123,000	123,000,000	0.60	149,000	149,000,000	0.49
Public				4,500,000	4,500,000,000	18.00
Total Paid up Capital	20,500,000	20,500,000,000	100.00	25,000,000	25,000,000,000	100.00
Unsubscribed Capital	14,500,000	14,500,000,000	-	10,000,000	10,000,000,000	-

In addition to the Public Offering mentioned above, the Company, on behalf of the shareholders, will list additional 4,500,000 shares or 18.0% from the Capital already subscribed and paid up by the shareholders prior to the Public Offer. As a result, the shares listed on the Stock Exchange will be 9,000,000 shares or 36.0% of the Paid up Capital.

The Company will not list additional shares except the shares mentioned earlier within 6 months after the stocks are listed in the stock exchange.

The purpose of the Company to offer part of its shares to the public are the following:

1. To finance the expansion or the business of the Company through:
 - a. Increasing its investment in P.T. Susel Prima Permai, which is 100% owned by the Company, that embarks on an expansion program by increasing its production capacity and diversifying its product to produce concrete admixture.
 - b. Optimazation program and diversifying the Company's product by producing high pressure laminates (formica).
2. To finance the increase in working capital requirements as a result of the expansion capacity and the new product line.
3. To strengthen the capital structure of the Company by repaying part of its loan obligation, so as to reduced interest payment.
4. To provide an opportunity to the public to own shares of the Company.

III

USE OF PROCEEDS FROM THE PUBLIC OFFERING

The net proceeds of the Public Offering will be used to finance the Company's and its subsidiary's expansion program and to strengthen the Company's capital structure. The following is the estimation for the use of the funds:

1. Approximately 44.00% will be invested directly in P.T. Susel Prima Permai in Palembang to increase the Paid Up Capital of P.T. Susel Prima Permai, whose shares is 100% owned by the Company and run by the same management team. The funds will be used to finance the expansion program in production capacity and the new product line.
2. Approximately 26.00% will be used to finance the Company's expansion plan in phenolformaldehyde and new product of high pressure laminates.
3. Approximately 22.00% will be used to finance the working capital requirement arising from the increase in Company's production and sales.
4. Approximately 8.00% will be used to repay the outstanding Bank Loan.

1. Brief History

P.T. Kurnia Kapuas Utama Glue Industries

The Company was incorporated on July 8, 1981 by virtue of Notarial Deed No. 32 of Notary Didi Sudjadi SH, Notary in Jakarta to engage in the formaldehyde and thermosetting adhesive industry (glue for plywood and particle board). The Company is the first formaldehyde and thermosetting adhesive producer in Kalimantan (Source: AIFTA Directory 1989) and the products are used in the woodbased industry, specifically the plywood industry.

The Company was founded by Mr. Adijanto and Mr. Soenaryo Priosoetanto of Bumi Raya Utama Group to support the glue requirement of their plywood factories. The factory is located within the plywood factory compound of the Bumi Raya Utama Group in Pontianak. The company covers a land area of 13,910 M² and 2,685 M² of building area.

Prior to the Company's establishment, glue requirement for West Kalimantan area was supplied from other region and after the establishment of the Company, demand for glue was supplied from the Company. The Company employed professional personnels for production, marketing and finance and always keep track with the latest formaldehyde and thermosetting adhesive technology. This effort has brought them to be one of the largest and most reputable glue producer in Kalimantan.

In the attempt to strengthen its position in the formaldehyde and thermosetting adhesive industry, on August 18, 1990, the Company acquired 100% shares of P.T. Susel Prima Permai, another formaldehyde and thermosetting adhesive producer in Palembang belonging to the Bumi Raya Utama Group.

With the above aquisition, the Company has become the largest formaldehyde and thermosetting adhesive producer in South East Asia with combined production capacity of 63,000 ton formaldehyde/year and 88,000 ton formaldehyde resin/year. The production capacity will increase to 97,000 ton formaldehyde/year and 135,000 ton formaldehyde resin/year by 1991.

Bumi Raya Utama Group

Mr. Adijanto and Mr. Soenaryo Priosoetanto are the founders of the Bumi Raya Utama Group (BRU Group) in 1952. Presently, BRU Group has severals companies operating in 6 different countries and 10 joint venture with companies from 8 countries in Indonesia. The main activities of the BRU group is categorized in 9 divisions: trading division, shipping division,forestry division, woodbased division, agro-business division, mining division,chemical division, real estate division and financial services division.

Approximate 50% of BRU Group's sales are contributed by the forestry and woodbased division. BRU Group owns forest concession of 1.2 million hectare and about 260,000 hectare timber plantation estate (HTI) in Indonesia. With the vast concession area, BRU Group develops further its woodbased industry by producing plywood, blockboard, particle board, sawn timber, moulding, dowels, turning, solid & flush doors, container flooring, furniture parts and furnitures (wood, rattan, kitchen cabinet, etc).

In the chemical industry, BRU Group is the largest formaldehyde and thermosetting adhesive producer in South East Asia with its two plants located at Pontianak and Palembang. In 1983, P.T. Kurnia Jaya Raya, a company belonging to the BRU Group, was established to produce among other:

- Melamine moulding compound, the main material to produce melamine table wares. Melamine table wares are household items such as plate, bowls, ashtray, etc.
- Phenolic impregnating paper. It is used to line plywood and blockboard to give a longer usage life when use for industrial construction such as foundation for cement/concrete foundring.
- Melamine impregnating paper. It is used to line plywood and particle board for indoor use.
- Gummed tape and veneer tape. They are used in the making of plywood and blockboard.

In 1988, P.T. Bentala Agung Pradana, one of the company within BRU Group, constructed the second polystyrene plant in Indonesia.

2. Management and Supervisory Board

The Articles of Associations stipulates that the Company shall be managed by a Board of Directors under the supervision of the Board of Commissioners appointed by the shareholders at a General Shareholders Meeting. The duties and responsibilities of the Board of Directors and Board of Commissioners are outlined in the Articles of Association.

The present composition of the Board of Commissioners and Board of Directors, as elected in the General Shareholders Meeting held on August 28, 1990, is as follows:

Board of Commissioners

President Commissioner	Soenaryo Priosoetanto
Commissioner	H. Jusuf L. Indradewa SH
Commissioner	Mrs. Agatha Aquilina Silo

Board of Directors

President Director	Adijanto
Director	Winoto Adijanto
Director	Pintarso Adijanto
Director	Lukman Priosoetanto

Brief background of the Board of Commissioners and Board of Directors are presented below:

BOARD OF COMMISSIONERS



**Soenaryo Priosoetanto, 53 years, Indonesian Citizen.
President Commissioner.**

One of the founder of Bumi Raya Utama Group. Aside from holding a position as President Commissioner of the Company, he is also the President Commissioner of P.T. Bentala Agung Pradana since 1986, P.T. Bumi Raya Utama Wood Industries since 1987, P.T. Kurnia Kapuas Plywood Industries Co. since 1976 and as President Director of P.T. Indah Raya Widya Plywood Industries since 1987, P.T. Kurnia Musi Plywood Industries Co. since 1978 and P.T. Susel Prima Permai since 1987. He is the member of the Board of Management of Indonesian Chamber of Commerce, Forestry Compartment, since 1989.



**H. Jusuf Indradewa SH, 62 years, Indonesian Citizen.
Commissioner.**

Graduated from law school in 1962 from the University of Indonesia. He was the President Director of Bank Pembangunan Daerah Nusa Tenggara Timur (Rural Development Bank) from 1962-1966 and in 1967 was assigned as staff assistant of the Minister of Finance, Head of Legal Department and Inspector General of the Ministry of Finance. He was appointed as Secretary of Coordinating Minister of Economy, Finance, Industry and Development from 1983 until June 1990. He is currently the President Director of P.T. Jakarta International Hotel.



**Mrs. Agatha Aquilina Silo, 49 years, Indonesian Citizen.
Commissioner.**

Besides being the Commissioner of the Company, she is also the Commissioner of P.T. Bumi Raya Utama Wood Industries and P.T. Kurnia Jaya Raya and President Director of P.T. Bumisubur Lestari. She worked as a nurse at a maternity hospital in Pontianak (1963-1966) and Director of Training & Education at Sei Jawi Hospital, Pontianak (1966-1986).

BOARD OF DIRECTORS



Adijanto, 61 years, Indonesian Citizen.
President Director.

One of the founder of Bumi Raya Utama Group. He held the position as President Director of the Company since 1981. He is also the President Commissioner or President Director of most of companies within the Bumi Raya Utama Group. BRU Group are active in forestry, woodbased industry, trading, shipping, plantation, chemical, mining and real estate. Presently Mr. Adijanto the President Director of P.T. Ketapang Indah Plywood since 1979, P.T. Khatulistiwa Indah Wood Industries since 1981, P.T. Kurnia Jaya Raya since 1983, P.T. Kurnia Kapuas Plywood since 1976, P.T. Bumi Indah Raya since 1991 and as President Commissioner of P.T. Gunung Mas Jaya Indah since 1987, P.T. Java Teakfurn since 1974, and P.T. Indah Raya Widya since 1990. Aside from the above, he is the Chairman of the Indonesian Chamber of Commerce for West Kalimantan and member of Golongan Karya - West Kalimantan for 1989-1993.



Winoto Adijanto, 35 years, Indonesian Citizen.
Director.

A graduate from Southampton University, England majoring in Electrical Engineering (1978). He started his career in the Company since 1981. He is also the Director of another 14 companies within the Bumi Raya Utama Group among others P.T. Bumi Indah Raya since 1979, P.T. Ketapang Indah Plywood since 1979, P.T. Kurnia Kapuas Plywood Industries since 1987 and P.T. Tri Eka Sari Kalimantan Plywood Industries since 1990.



**Pintarso Adjijanto, 34 years, Indonesian Citizen.
Director.**

A graduate from the University of London, majoring in Civil Engineering, England (1979). He is also holding position as Director in several companies within Bumi Raya Utama Group, among other: P.T. Java Teakfurn Co. Ltd, since 1983 and P.T. Bumiraya Nusantara Permai since 1990.

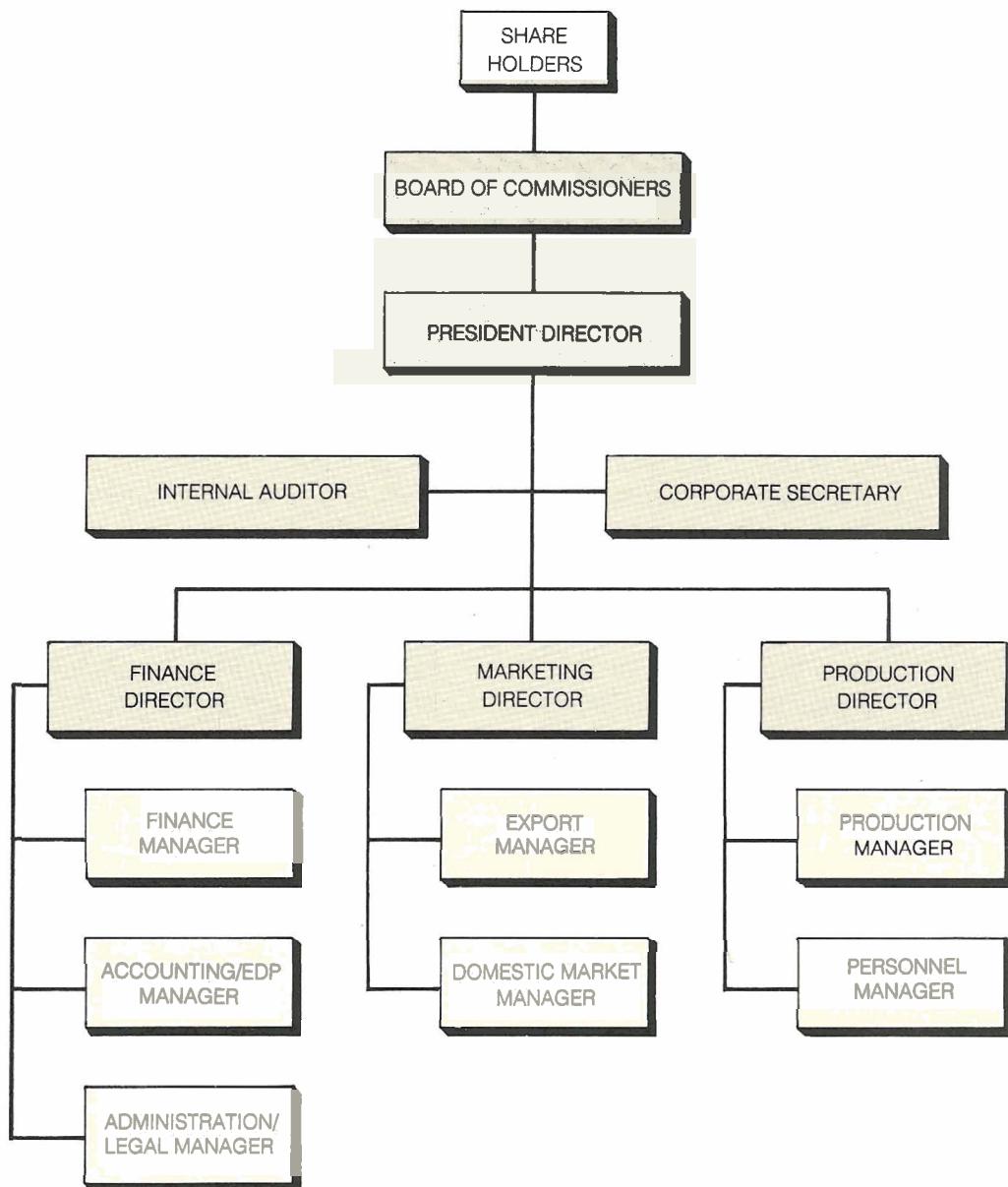


**Lukman Priosoetanto, 27 years, Indonesian Citizen.
Director.**

A graduate from University of California, Los Angeles in Economics (1987). He is also the Director of P.T. Tri Ika Sari, P.T. Sinar Kalbar Raya, P.T. Susel Prima Permai and the Commissioner of P.T. Tri Eka Sari Kalimantan Plywood.

3. Organizational Structure and the Advisory Committee

Presented below is the organizational structure of the Company



Considering the importance of product specialization and intensive planning in product development, the Board of Directors is assisted by 4 professionals specializing in different disciplines. The professionals who act as the Company's advisors are as follows:

DR. Edmund S.T. Lim, Ph.D, (CEEC, UK).

Since 1983 he is the Chief Technical and Business Development Advisor at the Bumi Raya Utama Group. He obtained his Ph.D in Chemical Engineering from NewCastle University, England (1980). Prior to his present assignment, he worked with Imperial Chemical Industries, England as Research Associates (1980 - 1982)

Pandjijono Adijanto, BSc, Indonesian Citizen.

He graduated from New Castle University in 1977 majoring in Metallurgy. He started his career in Bumi Raya Utama Group since 1978 and presently is the Executive Director in the shipping and trading division in Singapore. He is also the Company's advisor in chemical procurement and international relationship.

DR. Suparno Adijanto, Ph.D, AIB, Indonesian Citizen.

He is the Corporate Planning and Investment Advisor of the Bumi Raya Utama Group and the Company. He earned his degree in Economics from University of London, England (1981), Master of Business Administration, Bradford Management Centre, England (1982) and Ph.D. in International Business from Georgia State University, USA (1988). Presently, he is a lecturer in the master degree program at University of Indonesia, Jakarta, committee member of the Indonesian Economic Association, Jakarta chapter and Treasurer of Yayasan Indonesia Executive Service Corps. In addition, he is also the Director of P.T. Bumiraya Nusantara Permai and P.T. Bumiraya Invesindo and the Commissioner of P.T. Adinaco Serasi.

Jeffery A.B. Goh, FCCA (UK).

He is the Chief Financial Advisor and Corporate Secretary of Bumi Raya Utama Group and prior to joining the group, he worked for P.T. Rig Tenders (1989). He is a registered Fellow Member of Public Accountant in England since 1987.

4. Human Resources

The Company realizes that employees are the main assets determining the progress and success of the business. Therefore, the Company always try to put its employees in places which best suited their experience and educational background. In this sense, the Company has adopted a philosophy of "the right man at the right place".

Within the organizational structure, the Company has a Human Resources Department which concentrate in carrying out the Company's policies on personnel. These manager are qualified persons in their own field and the Company gives in-house training as well as regular overseas training to enhance their skill and knowledge.

To increase employees motivation and productivity, the Company also give the following facilities and benefits :

- Employees performance is evaluated every 3 months and promotion, together with salary adjustment, is granted according to their merit.
- Housing facility is available for all employees.
- Polyclinics and sport centre.
- Christmas and Lebaran bonus.
- All employees are insured with ASTEK and member of the KKB (Workers Union) and the Bumi Raya Utama Group Cooperative.

Total number of employees are as follows:

Position	Number of Employees
Director	4
Manager	12
Office Staff	2
Factory Staff	6
Office worker	10
Factory worker	39
Total	73

Educational Background	Number of Employees
Master degree	8
Bachelor Degree	7
Senior High School	35
Junior High School	4
Elementary School	10
Others	9
Total	73

1. The Industry

At present, there are 22 glue factories for wood related products in the country and most of the factories are located outside Java island. Production capacity of each factory ranging from 22,000 ton/year - 60,000 ton/year with a total industry capacity of 921,000 ton/year (Source: AIFTA Directory, 1989). The kind of glue commonly produces are urea formaldehyde, phenol formaldehyde and melamine urea formaldehyde.

In the early 1980, Indonesia was still importing glue for its domestic consumption, however in line with the development in the plywood industry, the formaldehyde and thermosetting adhesive industry has been growing as seen in the table below. In 1983, total adhesive production reached 115,813 ton, while import of such product was recorded at 100,000 ton (Source: Indochemical No. 15, October 1988). In 1987, local production picked up to 543,541 ton and sufficient enough to meet the local demand.

Year	Plywood Production ('000 M3)	Adhesive Consumption (ton)
1983	2,943	206,000
1984	3,820	267,400
1985	4,983	348,800
1986	5,200	364,400
1987	6,284	439,900
1988	8,300	581,000
1989	10,500	726,250

Source: Indochemical, No. 48, March 1990.

As plywood industry grows, many big plywood and particle board producers established their own glue plant to lessen their dependency from independent glue producers.

2. Production

The Company's plant was built on a plot of land covering an area of 11,131 M² by the Kapuas river, West Kalimantan and close to many plywood factories in the area. The close vicinity to many plywood producers give the Company an advantage in terms of marketing and transporting the glue to end users using Kapuas river. Aside from the above, water requirement for the production process can be obtained easily from the river. For the buyer, the short distance will lower the transportation cost and keep the glue inventory at a minimum level.



Plant in Pontianak

The Company started its commercial production in 1983 with a capacity of 42,000 ton formaldehyde and 60,000 ton resin. The plant uses advance technology in thermosetting adhesive to produce high quality resin. The machineries were imported from West Germany and the finished products meet the Indonesian Industry Standard (SII) and Deutch Industrie Norm (DIN).

2.1 Supply of Raw Materials

Materials used to produce glue for plywood are methanol, urea, melamine, phenol, caustic soda, formic acid, soda ash, HCl, alum and water. The main material, which methanol, is supplied by Pertamina, while the others are available from local distributors. The Company also imports its phenol and melamine powder requirement which account for around 15% - 20% of the required raw materials.

2.2 Production Process

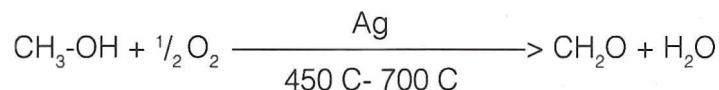
The production process is divided into two stage:

- a. From methanol to formaldehyde
- b. Glue making process to produce urea formaldehyde, melamine urea formaldehyde and phenol formaldehyde.

Formaldehyde making process

Formaldehyde is made from methanol (CH₃-OH) and Oxygen (O₂) from air and process through silver catalization at 450 - 700 degree Celcius. The catalization process has an exotherm character.

The chemical reaction process can be described as follows:



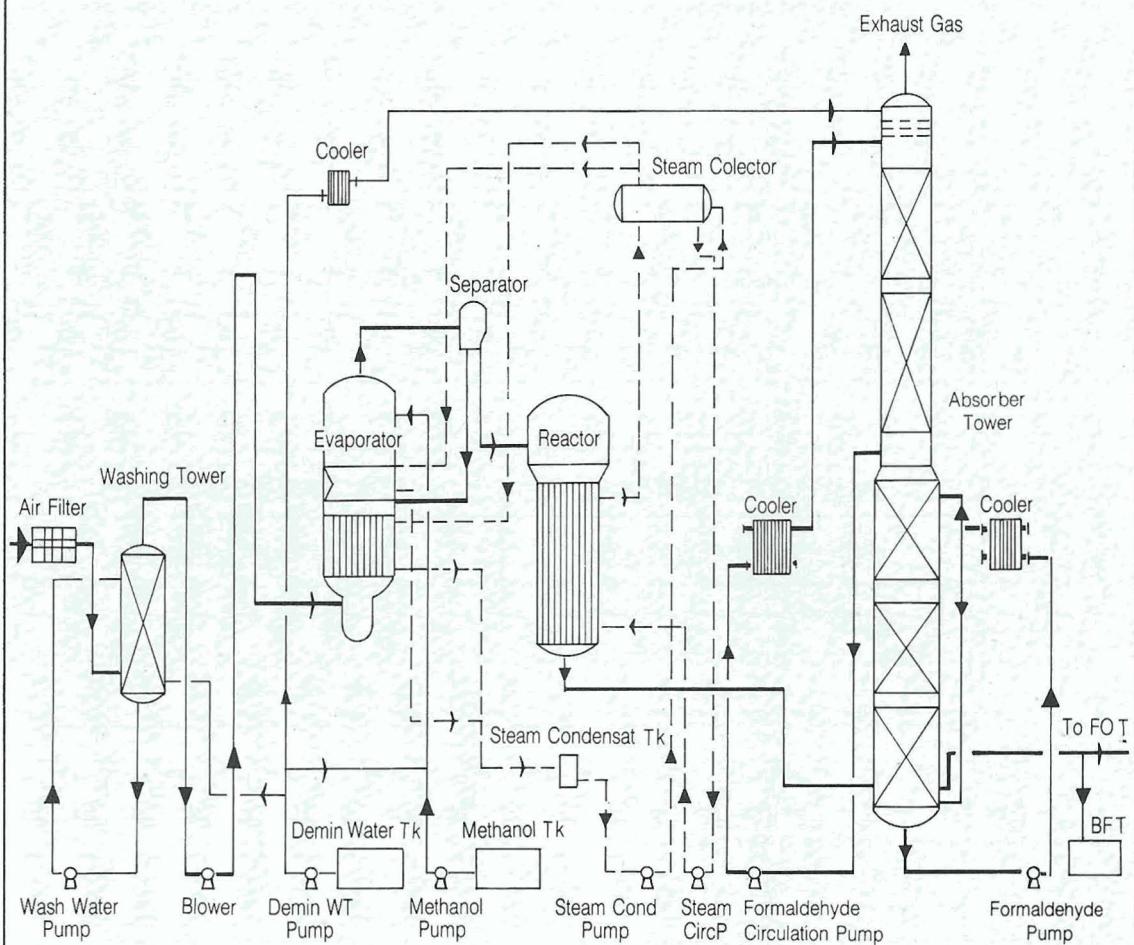
Urea/Melamine/Phenol Formaldehyde process

The formaldehyde is mixed with urea/melamine/phenol through an automatic panel using condensation and concentration process, then it produces a urea formaldehyde/ melamine urea formaldehyde/phenol formaldehyde. The unused formaldehyde is stored in the storage tank.

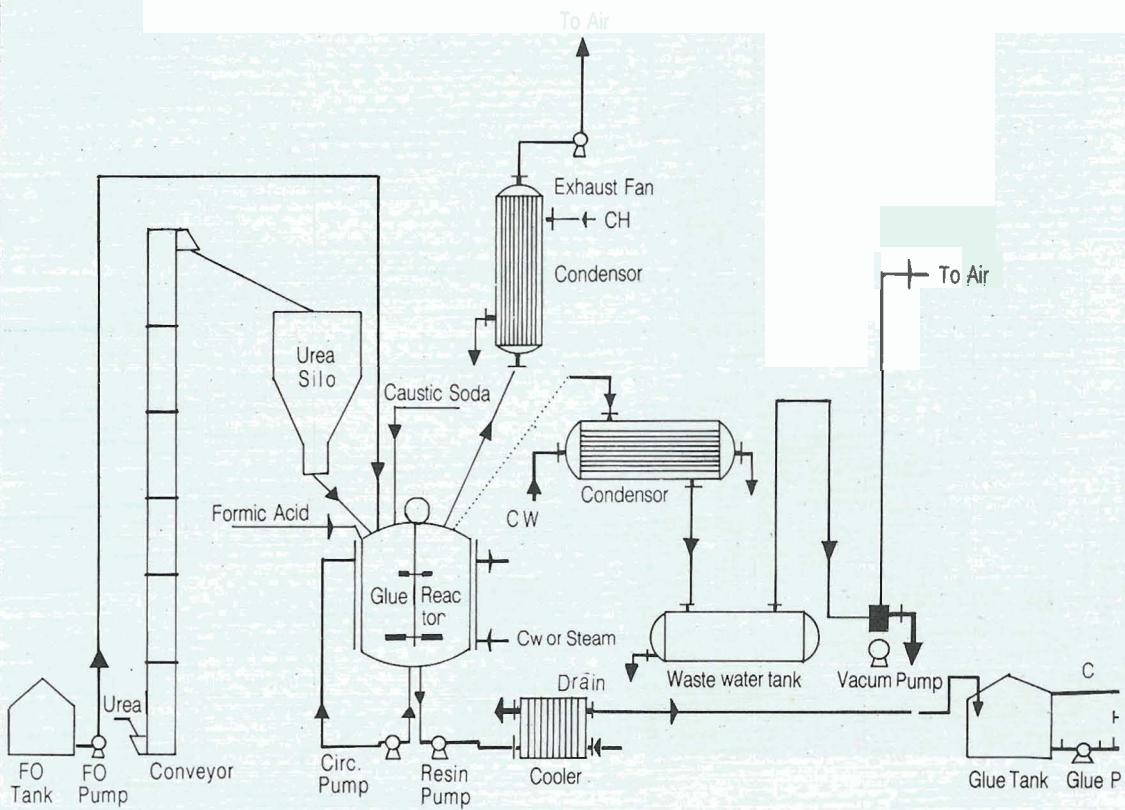
By mixing the above materials, the Company and its subsidiary (P.T. Susel Prima Permai) can produce the following type of glue/products:

P.T. Kurnia Kapuas Utama Glue Industries	P.T. Susel Prima Permai
Urea Formaldehyde resin	Urea Formaldehyde resin
Phenol Formaldehyde resin	Phenol Formaldehyde resin
Melamine Urea Formaldehyde resin	Melamine Urea Formaldehyde resin
Urea Formaldehyde Hardener	Urea Formaldehyde Hardener
Phenol Formaldehyde Hardener	Phenol Formaldehyde Hardener
Melamine Urea Formaldehyde Hardener	Melamine Urea Formaldehyde Hardener
Low Formaldehyde Emmision	Low Formaldehyde Emmision
High Solid Content Glue	High Solid Content Glue
High Pressure Laminates	High Pressure Laminates
	Concrete Admixture
	Coating Material (UFC - 80)

The last two products, Concrete Admixture and Coating Material, will be produced by P.T. Susel Prima Permai using technology from Europe and it is the first project in the country.



FORMALDEHYDE PRODUCTION PROCESS



ADHESIVE PRODUCTION PROCESS



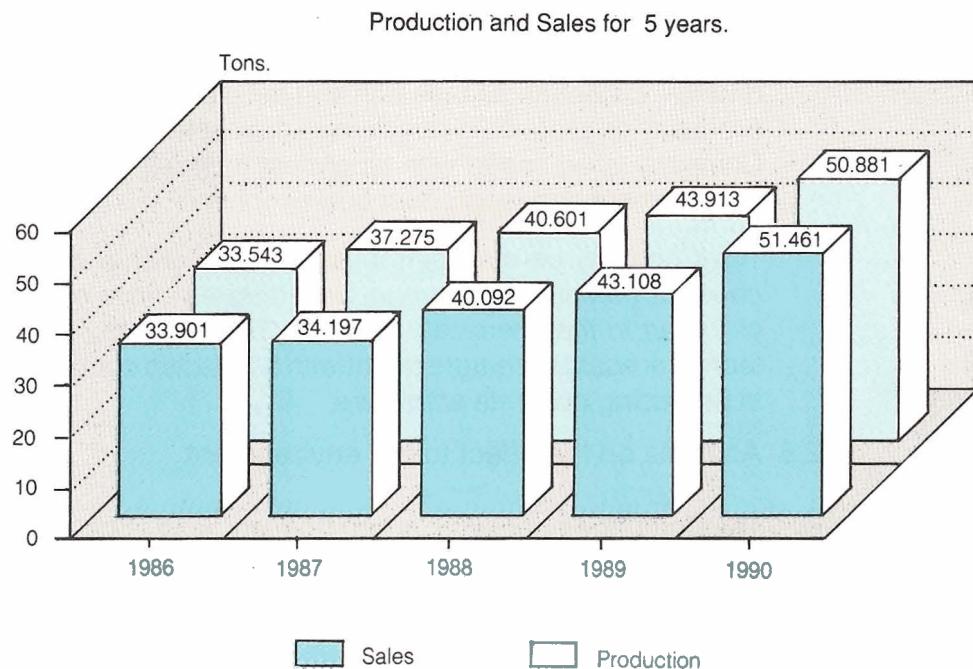
Manufacturing Plant.



Central Operation Control Room

2.3 The Company's past Performance

Since the beginning of its operation, the Company has demonstrated a good growth as shown in the graph below:



The continuing raising demand of the products is in line with the development of plywood industry. In the last few years, the plant was operating more efficiently as compared to earlier years. As efficiency goes up, so does the Company's profitability. Net profit was recorded at Rp 682.19 million for 1989 and up significantly to Rp 3,340 million in 1990. The consolidated figures after the acquisition of P.T. Susel Prima Permai last August, 1990 and the appointment as sole distributor of Susel gave a net income after tax of Rp 5,312.8 million.

2.4 Quality Control

To maintain a high standard of finished products, the Company maintain a strict quality control procedures to meet with the following standards:

- a. Indonesian Industrial Standard (SII) No. 0276-80
- b. Deutch Industri Norm (DIN) No. 68705, type A-100, FW-67 and IF-20 as the machineries used are from Germany
- c. Others:
 - USA Product Standard PS 1-74 and PS 51-71 interior grade
 - British Standard Specification 1455, type BR, MR dan INT
 - Japanese Plywood Export standard type II and III

The quality examination covers controls on level of viscosity, acidity (PH), density, solid content and formaline content in the products.

2.5 Research and Development

The Company, assisted by its professional advisors in the chemical division, continues its research and development to come up with new products or product diversification from the existing products. The Company is equipped with laboratory facilities to support its product development and for product quality control.

The Company maintains business relationship with many leading chemical companies in Europe, United States and to learn the latest state of the art in the chemical industry. The Company has just signed a technical assistance agreement with a Swedish company, PERSTORP, in producing concrete admixture.

2.6 Analysis on the effect to the environment

The Company's operation is free from any kind of pollution which could harm the surrounding environment. Though the Company engages in the chemical industry, all chemical materials are processed into formaldehyde without any toxic waste.

The Company's end product is produced by mixing several chemical materials. In the reaction process, there is no waste and the end products are all consumed by other industry. One way of avoiding waste chemical materials is by preventing any leakage in methanol or phenol storage tank. In the event of leakage, the methanol or phenol will evaporate in the air.

3. Marketing Aspect

3.1 Distribution Channel

Plywood is one of the main export commodity of Indonesia and has contributed significantly to Indonesia export earnings. Out of 132 plywood factories, 64 factories are located in Kalimantan and most of them are in West Kalimantan and East Kalimantan.

The marketing and distribution of the Company's products is handled by themselves since 73% of the sales are for use of BRU's plywood, blockboard and particle board factories. Transportation is done through the river for other factories around the factory' site while for intra island, the glue is transported by company owned sea vessels. Direct marketing and distribution has lowered the marketing and distribution expenses of the Company.



Specialice vessel for Distribution

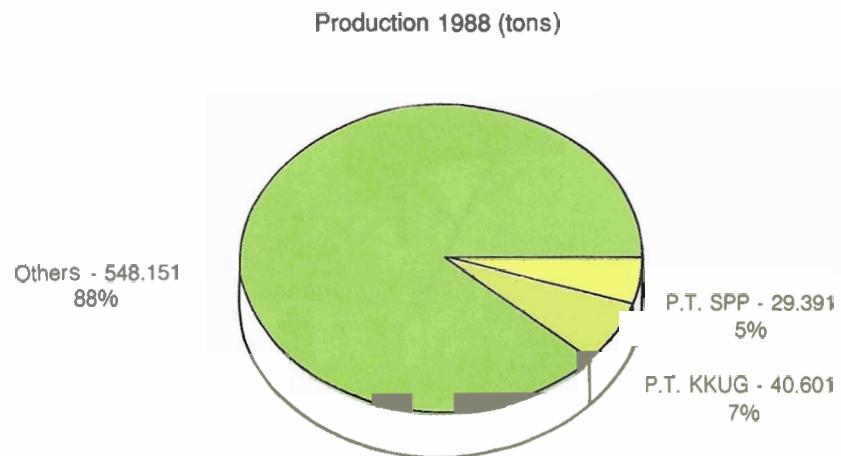
3.2 Market Share

The areas of marketing of all glue producers is governed by AIFTA (Asosiasi Industri Formalin dan Thermosetting Adhesive Indonesia). Each producers has its own market region and could not sell its product to other region. This regulation is to avoid fierce competition among glue producers. Since the Company is the first glue producers in Kalimantan, it has already gained market share in Kalimantan, Ambon and Sumatera.

Because of the quality and timeliness of shipment of goods to end users, the Company's product is used by many plywood factories. Some of the regular customer of the Company outside BRU Group are: P.T. Parindo Permai Indah, P.T. Jati Dharma Indah Plywood, P.T. Andatu Lestari Lampung, P.T. Jati Cahya Cemerlang, P.T. Raja Garuda Mas, P.T. Inka Raya, P.T. Hendratna Plywood and others.

Since 73% of the sales are to BRU Group, the Company is in a more advantage position as it already has a captive market for the product and only 27% of it are for other customers.

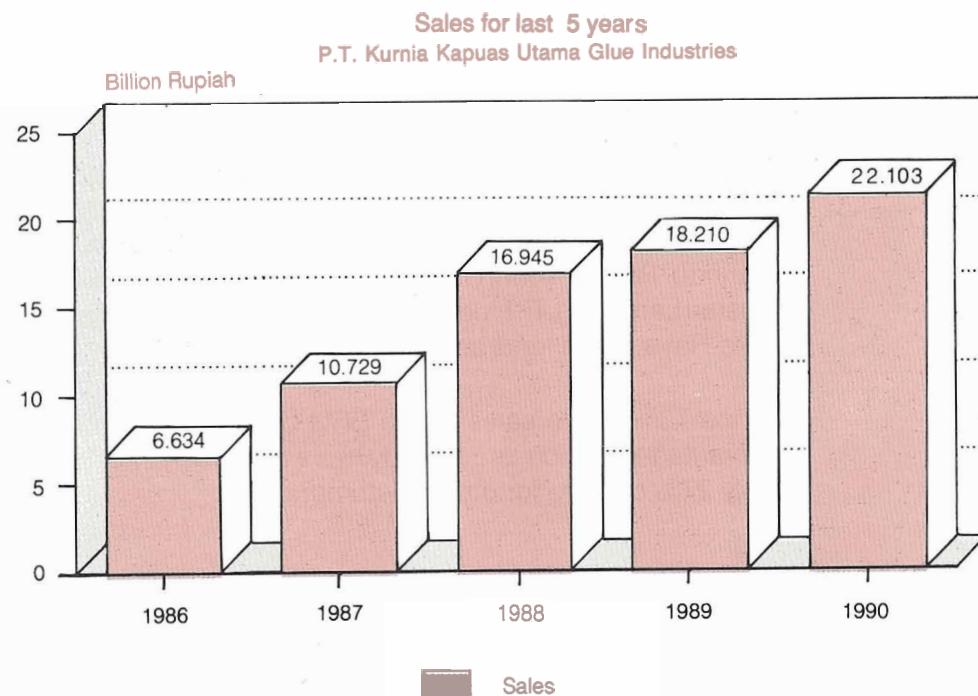
The Company's market share in the formaldehyde and thermosetting adhesive industry is presented in the following graph:



P.T. KKUG - P.T. Kurnia Kapuas Utama Glue Industries
P.T. SPP - P.T. Susel Prima Permai
Source : AIFTA - Directory 1989

3.3 Sales Performance

The development in sales revenue can be noted by the following graph.



To protect the interest of glue producers, the association of glue producers (AIFTA) together with the association of plywood producers (APKINDO) has set a fixed selling price which has to be adhered by all glue producers. The last selling price agreed by AIFTA and APKINDO to be effective by October 1, 1990 is as follows:

AIFTA GUIDING PRICE IN RUPIAH PER KG

MARKET TERRITORY	UREA-F	PHENOL-F	MELAMINE F
SUMATERA	0.2295	0.5929	0.6470
JAVA	0.2242	0.5880	0.6412
WEST/SOUTH/CENTRAL KALIMANTAN	0.2295	0.5929	0.6470
EAST KALIMANTAN	0.2324	0.5955	0.6527
SULAWESI	0.2351	0.5979	0.6558
MALUKU	0.2378	0.6003	0.6585

Source: AIFTA

4. The Company's Prospect

The bright prospect of the plywood, blockboard and particle board industry in years to come will increase the demand of glue for plywood. This assumption is reflected by the total consumption of glue of 206,000 ton in 1983 and increased to 726,250 ton in 1989 (Source: Indochemical 1989, 1990).

Demand for adhesive itself is assumed to increase by 5% every year as projected by the Directorate General of Chemical Industry, Ministry of Industry in the recent Petrochemical Seminar.

**Projection for Demand of adhesive (up to the end of
5 years Development and Planning VIII)**



Source : 2nd Indonesian Petrochemical Business Conference
Departemen Industri, 30 Oktober 1990

Since 1987, the Company has started to expand and diversify its product by producing new kind of glue: High Solid Content Glue which is used in the melamine ware industry. Melamine table wares are used for household necessity. In 1988, the Company produces a special type of glue used in the making of impregnating paper.

The Company and its subsidiary company - P.T. Susel Prima Permai - are planning to increase the production capacity and introducing new product lines which will give higher value added in 1991, they are:

- Concrete admixture which is used in cement mixing which will increase the quality of cement and save the use of cement. The product will be the first to be produced in South East Asia and P.T. Susel Prima Permai has signed an agreement with a Swedish company, PERSTORP, for the technical expertise. At present, the demand for concrete admixture is supplied from Europe and United States.
- High Pressure Laminates (HPL), also commonly known as formica. Although the Company is not the first producer of HPL in the country, with the technology from Italy, it can produce a more flexible HPL. HPL is commonly used in the furniture and industry construction industry the Bumi Raya Utama Group also owns furniture and kitchen cabinet factories.
- Coating Material (UFC-80) is a material which will allow longer storage time for urea and it will be produced by P.T. Susel Prima Permai. This product will be the first to be produced in Indonesia. It is expected that all major urea producers in the country will be the buyer of UFC-80.

With the above diversification, all of the Company's and its subsidiary products' are not consumed only by the woodbased related industry, but also in the melamine table ware industry, impregnating paper, high pressure laminates, urea coating material and concrete admixture since all these product will use formaldehyde which is the main product of the Company and P.T. Susel Prima Permai.

Market opportunity is also promising considering the number of plywood mill in the country as presented below:

Province	Number of Plywood mills
West Kalimantan	16
East Kalimantan	28
South Kalimantan	14
Central Kalimantan	6
Sumatera	33
Java	20
Maluku	12
Sulawesi	2

Source: AIFTA - Directory 1989

In addition to local consumption, demand for glue from neighbouring countries such as Malaysia is expected to increase as well in line with the development in their woodbased industry. In 1991, Sarawak will have 40 plywood lines and by 1993, it will double to 82 lines (Source: Sarawak Economy Development Corporation (SEDC), 1990).

VI

INVESTMENT IN SUBSIDIARY - P.T. SUSEL PRIMA PERMAI

P.T. Susel Prima Permai (Susel) was established on January 28, 1991 by virtue of Deed No. 102 drawns up before Didi Sudjadi, Notary in Jakarta. The Articles of Association have been approved by the Ministry of Justice through its Decision Letter No. C2-460.HT.01.01.TH.83 dated January 20, 1983 to engage in the formaldehyde and thermosetting adhesive industry. The founder of Susel is the Adjianto and Soenaryo Priosoetanto family of Bumi Raya Utama Group. The factory is located in Palembang on a 134,101 M2 plot of land with a building area of 3,329 M2.



Factory at Palembang

On August 18, 1990, P.T. Kurnia Kapuas Utama Glue Industries acquired 100% of P.T. Susel Prima Permai shares at nominal value. In order to increase its production capacity and product diversification, the shareholders of Susel is planning to increase its Authorized Capital from Rp 25,000,000,000.- (twenty five billion Rupiah) to Rp 35,000,000,000.- (thirty five billion Rupiah) in 1991 where part of the paid up capital will come from the proceed of the public offering of P.T. Kurnia Kapuas Utama Glue Industries.

The composition of the Board of Commissioners and the Board of Directors are as follows:

Board of Commissioners

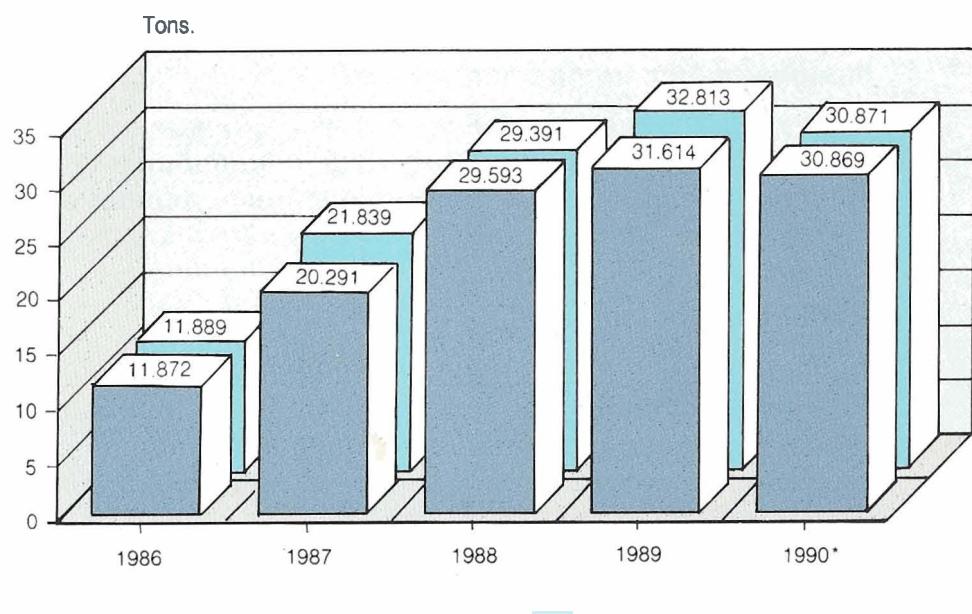
President Commissioner	Adijanto
Commissioner	Mrs. Mimi Purnomo
Commissioner	Satia Priosoetanto

Board of Directors

President Director	Soenaryo Priosoetanto
Director	Swandono Adijanto
Director	Pintarso Adijanto
Director	Lukman Priosoetanto

P.T. Susel Prima Permai produces formaldehyde resin (38,000 ton/year), with a capacity to produce urea formaldehyde (35,000 ton/year) and phenol formaldehyde (14,000 ton/year). Around 70% of the products are sold to plywood mills within Bumi Raya Utama Group while the rest is for other buyers. After the acquisition of Susel, P.T. Kurnia Kapuas Utama Glue Industries is also appointed as sole distributor of Susel.

Sales and Production for 5 years.



Production for 1990 (11 Months)
On Month for preventive main tenance dan
On to link - up with new Expansion

Like any other business entities, the Company is also facing some risks in running its business and the Company is trying to minimize them as much as possible.

Macro Economic factor

Since the major buyer of formaldehyde resin is the woodbased industry which is export oriented, any slack of demand from other country will affect the production of plywood and eventually will affect the demand of glue from the local market. To minimize the risk arising from the slowdown in plywood industry, the Company try to diversify its products to other industry such as melamine table ware, impregnating paper and formica, and by strengthening its marketing network and client base so that any unfavourable conditions will not affect the Company badly.

Raw Materials

The main raw material, methanol, is only supplied by Pertamina and if there is a breakdown in the methanol plant, domestic supply will be affected. Any shortage in methanol supply will affect the Company's production schedule which results to a delay in shipment of products to buyers. The delay in shipment will decrease the sales revenue for the period concern.

However, the Company could import its methanol requirement from Saudi Arabia or Malaysia (Sabah Gas) if there is a problem in domestic market. Aside from that, the Company is assisted with professional adviser on procurement of raw material that enable the Company to stock raw material on time at the best price.

Market Competition

The Investment Coordinating Board has issued several licenses to build new thermosetting adhesive plant and gave its approval for some expansion program to several existing companies. With the new plants coming up and the expansion program undergone by other companies, it is predicted that in years to come, there will be a glut in the thermosetting adhesive industry.

P.T. Kurnia Kapuas Utama Glue Industries, on the contrary, has the advantage compared to other glue producers as 73% of its products are consumed by Bumi Raya Utama Group (captive market) while selling price is governed by AIFTA to ensure that each glue producer will not sell its product below the minimum price set by AIFTA.

Like any other business entities, the Company is also facing some risks in running its business and the Company is trying to minimize them as much as possible.

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In addition, the development in the plywood industry in Malaysia is promising. By 1991, Sarawak will have 40 lines of plywood capacity and part of the glue requirements is expected to come from Indonesia, or the Company in particular, as Sarawak does not have its glue factory yet. By 1993, Sarawak will have 82 lines of plywood (Source: Sarawak Economic Development Corporation (SEDC), 1990). Pontianak is the nearest glue producing town from Sarawak.

Reduce in demand of glue for plywood

Uncontrolled deforestation of tropical forest could result to a decline in tropical wood supply. Shortage of tropical wood supply could affect the plywood production which, in turn, affect the demand for glue as well.

Forest concession holders, however, have been cautious in their operation and most of them have their own reforestation program, therefore, supply of tropical wood will not diminish. Aside from that, the Company keeps diversifying its product to lessen its dependency to woodbased industry and directing it more towards chemical industry. It is reflected in the new products to be produced by the Company such as high pressure laminates, concrete admixture and urea coating materials.

1. Financial Highlights for the years 1990 and 1989

The following table shows the Company's financial highlights for the year ended December 31, 1990 and 1989. The figures are derived from the financial statements which have been audited by the Registered Public Accountant.

In million of Rupiah except Earning per Share	December 31, 1990	December 31, 1989
Current Assets	18,223	12,820
Investment in Subsidiary	7,108	-
Net Fixed Assets	5,211	6,143
Other Assets	149	-
Total Assets	30,691	18,963
Current Liabilities	6,378	7,152
Stockholders' Equity	24,313	11,811
Total Liabilities and Stockholders' Equity	30,691	18,963
Sales	22,103	18,210
Cost of Goods Sold	15,770	14,657
Gross Profit	6,333	3,553
Operating Income	4,755	1,908
Net Income Before Tax	5,160	1,224
Net Income After Tax	3,431	682
Earning per Share (in full Rupiah amount)	762.370	151.599

FINANCIAL RATIOS	December 31, 1990	December 31, 1989
Current Ratio	2.86 : 1	1.79 : 1
Total Liabilities/Total Assets Ratio	0.21 : 1	0.38 : 1
Total Liabilities/Total Equity Ratio	0.26 : 1	0.61 : 1
Gross Profit/Net Sales Ratio	0.29 : 1	0.20 : 1
Net Income/Total Assets Ratio	0.11 : 1	0.04 : 1
Net Income/Total Equity Ratio	0.14 : 1	0.06 : 1
Net Income/Net Sales Ratio	0.16 : 1	0.04 : 1

2. Proforma Income of Year 1990

As explained in Chapter VI of P.T. Susel Prima Permai and with the assumption that the acquisition of 100% P.T. Susel Prima Permai shares was made on January 1, 1990, the Company's proforma performance for 1990 is presented below:

In million of Rupiah, except Earning per Share

	P.T. Kurnia Kapuas Utama Glue Industries	P.T. Susel Prima Permai	Proforma 1990
Net Sales	22,103	15,606	37,709
Gross Profit	4,755	4,559	9,314
Net Income	2,540**) (in full Rupiah amount)	2,773	5,313
Earning per Share *)	762	910	1,181

Notes:

*) Earning per share was calculated based on the weighted number of shares in 1990 with the assumption that nominal value is Rp 1,000.-/share.

P.T. Kurnia Kapuas Utama Glue Industries 4,500,000 shares
P.T. Susel Prima Permai 3,046,981 shares
Proforma 4,500,000 shares

**) After deducting Income from Subsidiary of Rp 891 million

The above data is based on audited financial report prepared by the Registered Public Accountant.

The following table shows the Stockholders' Equity position as of December 31, 1990 and 1989. The figures are derived from the financial statements which have been audited by the Registered Public Accountant.

In million of Rupiah

	December 31, 1990	December 31, 1989
Paid Up Capital	4,500	4,500
Other Capital	16,000	481
Revaluation Increment of Fixed Assets, January 1987	—	1,722
Retained Earning	3,814	5,108
Total Stockholders' Equity	24,314	11,811

In connection with the Public Offering through the Stock Exchange, the Company has changed its capital structure and approved by the Capital Investment Coordinating Board (BKPM) through its Decision Letter No. 472/A02/1990 dated September 12, 1990. Based on the resolution of the General Shareholders Meeting held on August 28, 1990 as stated on Deed No. 716 dated August 28, 1990 and amended again by Deed No. 356 dated October 20, 1990 both drawn up before Notary Siti Pertiwi Henny Shidki, Notary in Jakarta, the Articles of Association was amended entirely and was approved by the Ministry of Justice of the Republic of Indonesia by its Decision Letter No. C2-933.HT.01.04.TH.91 dated March 18, 1991.

The amendment on the Articles of Association include among others:

1. Increasing the Authorized Capital from Rp 5,000,000,000.- consisting of 5,000 shares with nominal value of Rp 1,000,000.- per share to Rp 35,000,000,000.- consisting of 35,000,000 shares with a nominal value of Rp 1,000.- per share.
2. Increasing the Paid Up Capital from Rp 4,500,000,000.- consisting of 4,500 shares with nominal value of Rp 1,000,000.- per share to Rp 20,500,000,000.- consisting of 20,500,000 shares with nominal value of Rp 1,000.- which were derived from:
 - Capitalization of shareholders' loan in the amount of Rp 3,576,804,160.-
 - Capitalization of revaluation increment of fixed assets in the amount of Rp 1,721,706,000.-

- Capitalization of tax amnesty which was included in other capital in the amount of Rp 481,239,840.
- Capitalization of Retained Earnings in the amount of Rp 4,016,250,000.-
- New shares issued of 6,204,000 shares or Rp 6,204,000,000.- to purchase 100% shares of P.T. Susel Prima Permai.

3. Reducing the nominal value from Rp 1,000,000.- per share to Rp 1,000.- per share.
4. Raising funds from the public through a Public Offer of 4,500,000 shares or at nominal value of Rp 4,500,000,000.-

With the said Public Offer, the public will own 18% of the total Paid Up Capital. If the Public Offering of 4,500,000 shares with a nominal value of Rp 1,000.- per share was offered at Rp 5,700.- per share on December 31, 1990, the proforma capital structure of the Company is as follows:

In million of Rupiah	Paid Up Capital	'Capital Paid' in Surplus	Other Capital	Retained Earnings	Total Stockholders' Equity
Financial position as of December 31, 1990	4,500	—	16,000 *)	3,814	24,314
Changes in Stockholders' Equity after December 31, 1990 assuming that changes were made on that date:					
- Conversion of Other Capital	16,000	—	(16,000)	—	—
- Public Offer	4,500	21,150	—	—	25,850
Proforma Stockholders' Equity on December 31, 1990 after Public Offer	25,000	21,150	—	3,814	49,964

*) This amount derived from:

- Capitalization of Shareholders' loan of Rp 3,576,804,160.-
- Capitalization of Revaluation Increment of Fixed Assets of Rp 1,721,706,000.-
- Capitalization of Tax Amnesty which included in Other Capital of Rp 481,239,840.-
- Capitalization of Retained Earnings of Rp 4,016,250,000.-
- Issuing new shares of 6,204,000 shares (Rp 6,204,000,000,000.-) to purchase 100% shares of P.T. Susel Prima Permai.

X

DIVIDEND POLICY

The Company plans to declare dividend at least once a year and the amount is determined based on the net income on the current year taking into consideration the Company financial position shareholders' right in determining the amount of dividend declare on General Shareholders' Meeting as stipulated in the Company's Articles of Association.

The Director, on behalf of the Company, is planning to declare dividend in 1991 and for the coming years to the shareholders as follow:

Net Income After Tax	Percentage of Dividend to Net Income After Tax
Up to Rp 2 billion	30 %
More than Rp 2 billion	31% - 50%

Income tax from dividend shall be imposed in accordance with the Indonesian tax law. As per the Decree of Ministry of Finance of the Republic of Indonesia No. 250/KMK.011/1985 dated March 6, 1985 juncto No. 1033/KMK.013/1988 dated October 20, 1988, the earnings of Pension Funds approved by the Ministry of Finance of the Republic of Indonesia from investment in securities listed in the Indonesian Stock Exchange are not subject to income tax.

Pursuant to the terms and conditions stipulated in the Underwriting Agreement between the Company and the Lead Underwriters and Agreement between Underwriters signed on May 11, 1991, the following Underwriters have agreed to underwrite 4,500,000 new shares being offered to the public.

LEAD UNDERWRITER

P.T. First Indonesian Finance and Investment Corporation (FICORINVEST)
P.T. Sun Hung Kai Securities Indonesia
P.T. Niki Asiasecurindo

MANAGING UNDERWRITER

P.T. First Indonesian Finance and Investment Corporation (FICORINVEST)
P.T. Sun Hung Kai Securities Indonesia

CO-UNDERWRITERS

CEF Andromeda Securities
P.T. Merchant Investment Corporation (MERINCORP)
P.T. Multinational Finance Corporation (MULTICOR)
P.T. Sinar Mas Eka Graha

Other institutions who support the issue of this public offering are as follows:

Public Accountant : Hans Tuanakotta & Mustofa
Wisma Anatara 12th Fl.
Medan Merdeka Selatan 17
Jakarta Pusat

Notary S.P. Henny Shidky SH
Jl. Rajasa IV/17
Jakarta Selatan

Legal Consultant : Tumbuan & Associates
Wisma Dharmala Sakti 6th Fl.
Jl. Jend. Sudirman Kav. 32
Jakarta 10220

Appraisal Company : P.T. Satyatama Graha Tara
Perkantoran Majapahit Permai Blok A-23
Jl. Majapahit 18-22
Jakarta 10160

TUMBUAN & ASSOCIATES

LEGAL COUNSELLORS

WISMA DHARMALA SAKTI, 6TH FLOOR
JL. JENDRAL SUDIRMAN 32
JAKARTA 10220, INDONESIA

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

Jakarta, 13th May 1991

To:

1. PT First Indonesian Finance and Investment Corporation ("Ficorinvest") - Lead Underwriter and concurrently Managing Underwriter;
2. PT Sun Hung Kai Securities Indonesia - Lead Underwriter and concurrently Managing Underwriter;
3. PT Niki Asiasecurindo - Lead Underwriter.

Dear Sirs,

In connection with PT Kurnia Kapuas Utama Glue Industries, domiciled at Pontianak (hereinafter named "the Company") intending to issue through the stock exchange in Indonesia 4.500.000 common registered shares (hereinafter the Shares), the Company has by letter No. 161/KKUGI/0-4-J/VIII/90 appointed us as its legal counsel in compliance with article 16 of the Stock Issue Underwriting Agreement as set out in deed No. 69 dated 10th May 1991 executed before Siti Pertiwi Henny Shidki, 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 First Indonesian Finance and Investment Corporation ("Ficorinvest"), PT Sun Hung Kai Securities Indonesia ("SHK") and PT Niki Asiasecurindo ("Niki") as the Lead Underwriters and Ficorinvest and SHK also as the Managing 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;
- (b) The Minutes of Meeting of the Company (on the amendment of the Company's articles of association in their entirety in the framework of going public) No. 716 dated August 28, 1990 jo Deed No. 356 dated October 20, 1990, both executed by Siti Pertiwi Henny Shidki, SH, notary in Jakarta;
- (c) The Letter of the Chairman of BKPM concerning the Permanent Approval on the Domestic Capital Investment No. 194/I/PMDN/1981 dated December 19, 1981.

The Letter of the Chairman of BKPM on behalf of the Minister of Finance of the Republic of Indonesia No. 44/Pabean/1982 dated January 22, 1982 concerning the grant of exemption facility/deduction of import sales tax and MPO import on the importation of machinery/equipment/spareparts for the Company in the frame of Domestic Capital Investment.

The Letter of the Chairman of BKPM concerning the Permanent Approval on the Domestic Capital Investment Expansion/Change No. 69/II/PMDN/1982 dated November 24, 1982.

The Letter of the Chairman of BKPM on behalf of the Minister of Finance of the Republic of Indonesia No. 892/Pabean/1982 dated December 27, 1982 concerning the grant of customs facility on the change/expansion of capital goods for the Company in the frame of Domestic Capital Investment.

The Letter of the Chairman of BKPM NO. 273/A.4/1983 dated June 4, 1983 concerning the notification of the Minister of Finance, approval No. 361/Pabean/1983 dated June 4, 1983 concerning the grant of exemption facility/import tax losses, import sale tax and MPO import on the importation of

raw/ancillary materials in the first year of the Company's project in the frame of Domestic Capital Investment in accordance with the abovementioned SPT of the Chairman of BKPM NO. 194/I/PMDN/1981.

The Letter of the Chairman of BKPM on behalf of the Minister of Finance of the Republic of Indonesia No. 439/Pabean/1984 dated June 28, 1984 concerning the grant of customs facility on the importation of raw/ancillary materials in the second year for the Company in the frame of Domestic Capital Investment.

The Letter of the Chairman of BKPM concerning the Approval on the Application to Amend the Capital Investment No. 58/VI/PMDN/1985 dated March 15, 1985.

The Letter of the Chairman of BKPM on behalf of the Minister of Finance No. 270/Pabean/1985 dated April 24, 1985 concerning the grant of customs facility on the importation of additional raw/ancillary materials in the second year for the Company in the frame of Domestic Capital Investment.

The Decision Letter of the Minister of Industry No. 283/M/SK/9/1988 dated September 13, 1988 concerning the grant of the Permanent Business License to the Company.

The Limited Import Identification Number (API terbatas) (third extension) No. 9097/N, which is valid as long as the Company is carrying out its production activity.

The Company Registration Number 14031300145 dated June 3, 1986, which is valid until June 3, 1991.

The Decision Letter of the Director General for Taxes No. Kep. 0049 PKP/WPJ.07/KI.1106/1985 dated February 20, 1985 concerning the confirmation of the Company as a tax paying business entity with Tax Registration Number: 1.110.655.6.53, which is valid since April 1, 1985.

Tax Registration Number Card: NPWP:
1.110.655.6-701.

The Letter of BKPM No. 472/A.2/1990 dated September 17, 1990 concerning the BKPM's approval on the amendment of the Company's capital.

(d) The Deed of Relinquishment of Right in land No. 111 dated August 30, 1990, executed before Agus Hashim Achmad, SH, notary at Pontianak, being the relinquishment of the following plots of land with right of ownership from the owner, Soenaryo Priosoetanto, in favour of the Company;

(i) The Certificate of Right of Ownership No. 138 dated January 16, 1969 located in the Province of West Kalimantan, the Regency of Pontianak, the District of Sungai Raja, the Village of Sungai Raja in the name of Soenaryo Priosoetanto, covering an area of land of 1.821M² in accordance with the Excerpt of GK No. 71/1968 dated October 16, 1968;

(ii) The Certificate of Right of Ownership No. 144 dated January 16, 1969, located in the Province of West Kalimantan, the Regency of Pontianak, the District of Sungai Raja, the Village of Sungai Raja in the name of Soenaryo Priosoetanto, covering an area of land of 1.859 M² in accordance with the Excerpt of GK No. 71/1965 dated October 16, 1968;

(iii) The Certificate of Right of Ownership No. 153 dated January 16, 1969, located in the Province of West Kalimantan, the Regency of Pontianak, the District of Sungai Raja, the Village of Sungai Raja in the name of Soenaryo Priosoetanto, covering an area of land of 1.854M² in accordance with the Excerpt of GK No. 71/1965 dated October 16, 1968;

The Deed of Relinquishment of Right in land No. 112 dated August 30, 1990, executed before Agus Hashim Achmad, SH, Notary at Pontianak, being the relinquishment of land with Certificate of Ownership No. 158/Sungai Raja dated January 16, 1989, located in the Province of West Kalimantan, the Village of

Sungai Raja in the name of Adijanto, covering an area of land of 932 M² in accordance with the Excerpt of GK No. 71/1965 dated October 16, 1969.

The Deed of Relinquishment of Right in Land No. 132 dated August 31, 1990, executed before Agus Hashim Achmad, SH, notary at Pontianak, being the relinquishment of the following two plots of land with right of ownership from the owner, Soenaryo Priosoetanto, in favour of the Company:

- (i) The Certificate of Right of Ownership No. 145/Sungai Raya dated January 16, 1969, located in the Province of West Kalimantan, the Regency of Pontianak, the District of Sungai Raya, the Village of Sungai Raya, in the name of Soenaryo Priosoetanto, covering an area of land of 1.848 M² in accordance with the Excerpt of GK No. 71/1965 dated October 16, 1968;
- (ii) The Certificate of Right of Ownership No. 152/Sungai Raya dated January 16, 1969, located in the Province of West Kalimantan, the Regency of Pontianak, the District of Sungai Raya, the Village of Sungai Raya in the name of Soenaryo Priosoetanto, covering an area of land approximately of 909 M² in accordance with the Excerpt of GK No. 7/1965 dated October 1968.

The Lease Agreement dated July 31, 1990 which is valid for 20 years between Adijanto as the owner of 2 plots of land respectively Certificate of Right of Ownership No. 155 covering an area of land of 1.800 M² and Certificate of Right of Ownership No. 160 covering an area of land of 1.816 M², both located at Jl. Adisucipto Km. 8 Sungai Raya, as the Lessor and the Company as the Lessee.

The areas leased to the Company by Adijanto are as follows: an area of 936 M² covered by the Right of Ownership

Certificate No. 155, and an area of 972 M² covered by the Right of Ownership Certificate No. 160.

(e) The Building Permit issued by the Regent of Pontianak Mempawah Regency No. 23-N/II/PU.030/1982 dated March 3, 1982 for establishing a glue factory at PT Bumi Indah Raya Complex in Pontianak.

The Building Permit No. 57.d/IB/PU. 030/1985 dated March 30, 1985 issued by the Regent of Pontianak Regency concerning the permit to build an additional storage building.

(f) The Articles of Association of PT Susel Prima Permai, a subsidiary of the Company.

The Licenses of such subsidiary.

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

- PT Kurnia Musi Plywood Industrial Company Limited;
- PT Kurnia Kapuas Plywood Industrial Company Limited.

The licenses of such shareholder companies.

(h) The Sole Distributor Agreement dated September 1, 1990 between the Company and PT Susel Prima Permai.

(i) The letter from BNI 1946 No. KPS/3/900/R dated August 30, 1990 to the Company wherein BNI 1946 gives its approval to the Company to "go public".

The letter from BNI 1946 No. KPS/6/575 dated April 8, 1991 wherein it agreed to waive one of the negative covenants i.e. the required prior approval from the creditor (BNI 1946) to distribute dividends to the shareholders.

(j) The Indonesian Standard Fire Insurance Policy No. 405.201.333.90.0809 with PT Asuransi Jasa Indonesia in favour of the Company as the insured party covering the glue factory

building and the construction tank as well as the machinery and equipment of the glue factory of the Company located at Pontianak for a total insured value of Rp 17.300.000.000.- (seventeen billion three hundred million rupiah).

The insurance period is 12 months as of June 2, 1990 to June 2, 1991;

The Indonesian Standard Fire Insurance Policy number 405.201.333.90.0808 with PT Asuransi Jasa Indonesia in favour of the Company as the insured party covering the stock of finished products, raw material, ancillary material for the glue industry of the company located at Pontianak of Rp 1.300.000.000.- (one billion three hundred million rupiah). The insurance period is 12 months, as of June 2, 1990 to June 2, 1991.

(k) The Certificate from the Registrar of the Pontianak District Court No. W11-D2-AT.01.10-06 dated March 23, 1991 stating that for the period of 5 (five) years as of March 16, 1986 to March 16, 1990 the Company was never involved in a civil or criminal case.

The Letter from the Indonesian National Arbitration Board (BANI) No. 17/III/SKT/BANI/91 dated March 25, 1991 stating that the Company as well as the members of the Direksi (Board of Management) and Dewan Komisaris (Supervisory Board) have never been registered in a civil case at the Indonesian National Arbitration Board(BANI).

The Certificate from the Pontianak District Court No. W11-D2-AT.01.10-06 dated March 23, 1991 stating that Mr Winoto Adijanto is not serving a jail sentence based on the final and binding decision of the Pontianak District Court, because of a criminal action which carries a jail sentence of 5(five) years or more and neither is he involved in a civil case before the Pontianak District Court.

Both for the period of 5(five) years as of March 16, 1986 to March 16, 1991.

The Certificate from the Registrar of the South Jakarta District Court No. 17/Sktr/Pan/III/1991/ PNJS dated March 23, 1991 stating that Mr Soenaryo Priosoetanto was never registered as defendant/plaintiff or as the accused/sentenced in the civil registry as well as in the criminal registry at the Registrar's office of the South Jakarta District Court since January 2, 1990 until March 25, 1991.

The Certificate from the Registrar of the South Jakarta District Court No. 15/Sktr/Pan/III/1991/ PNJS dated March 20, 1991 stating that Mr Lukman Priosoetanto was never registered as defendant/plaintiff or as accused/sentenced in the civil registry as well as the criminal registry at the Registrar's office of the South Jakarta District Court since January 2, 1990 until March 25, 1991.

The certificate from the Pontianak District Court No. W11-D2-AT.01.10-10 dated March 23, 1991, stating that Ms Agatha Aquilina Silo is not serving a jail sentence based on the final and binding decision of the Pontianak District Court because of a criminal action which carries a jail sentence of 5(five) years or more. She is neither involved in a civil case before the Pontianak District Court.

Both for the period of 5(five) years as of March 16, 1986 to March 16, 1991.

The Certificate from the Pontianak District Court No. W11-D2-AT.01.10-07 dated March 23, 1991 stating that Mr Adijanto is not serving a jail sentence based on the final and binding decision of the Pontianak District Court because of a criminal action which carries a jail sentence 5(five) years or more. He is neither involved in a civil case before the Pontianak District Court.

Both for a period of 5(five) years as of March 16, 1986 until March 16, 1991.

The Certificate from the Registrar of the South Jakarta District Court No. 16/Sktr/Pan/III/1991/PNJS dated March 20,

1991 stating that Mr Lukman Priosoetanto was never registered as defendant/plaintiff or as the accused/sentenced in the civil registry and/or the criminal registry at the Registrar's office of the South Jakarta District court since January 2, 1990 until March 20, 1991.

- (l) The Registration Statement to Issue Securities dated 12th April 1991.
- (m) The Underwriting Agreement No. 69 dated 10th May 1991 executed before Siti Pertiwi Henny Shidki SH, notary in Jakarta.
- (n) 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, we submit the following legal opinion:

1. The Company is a limited liability company, domiciled at Pontianak, which was incorporated at Jakarta in the framework of Law No. 6/1968 on Domestic Capital Investment (PMDN) by deed No. 32 dated July 8, 1981 executed before Didi Sudjadi, SH, notary in Jakarta. Such deed of incorporation was approved by the Minister of Justice thru his decision letter No. Y.A.5/27/4 dated March 16, 1982:

The said Articles of Association have been published in the Supplement No. 690 of the Official Gazette of the Republic of Indonesia No. 40 dated May 20, 1986.

Thereafter, the Articles of Association in their entirety were amended by resolution of the Company's extraordinary general meeting of shareholders as set out in the Minutes of Meeting of the extraordinary general meeting of the Company no. 716 dated August 28, 1990 jo deed no. 356 dated October 20, 1990, both deeds executed by Siti Pertiwi Henny Shidki, SH, notary in Jakarta and which amendments were approved by the Minister of Justice of

the Republic of Indonesia thru his decision letter no. C2-933.HT.01.04.TH.91 dated March 18, 1991.

2. The Company has obtained all necessary permits 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.
3. The Company's factory building located at Pontianak which was erected based on the building permits as mentioned above is owned by the Company and the Company has title to the land on which the factory is erected.
4. The abovesaid capital participation of the Company in PT Susel Prima Permai has been done in accordance with the prevailing laws and regulations.
5. PT Susel Prima Permai, a 100% subsidiary of the Company, was established based on deed no. 102 dated January 28, 1981 yis deed no. 79 dated May 18, 1981 and deed no. 127 dated October 20, 1982, all executed before Didi Sudjadi, SH, notary in Jakarta and which were approved by the Minister of Justice thru his decision letter no. C2-460-HT.01.01.TH.83 dated January 20, 1983.

PT Susel Prima Permai has obtained all necessary permits and approvals to carry out its business activities as presently being undertaken and to the best to our knowledge PT Susel Prima Permai is not in breach of any law or permit applicable to or binding on PT Susel Prima.

Until the issuance date of the letter from the Palembang District Court no. W5.Db.5.Um.649/1991.PN.Plg. dated April 1, 1991, to the best of our knowledge PT Susel Prima Permai is not involved in a court case.

6. Based on the Distributor Agreement dated September 1, 1990, the Company has been

appointed as the "Sole Distributor" of the products of PT Susel Prima Permai.

7. The Company has obtained the requisite consent and approval from its creditor for the issuance and public offer of the Shares.
8. The insurance concluded with PT Asuransi Jasa Indonesia covers the glue factory and construction tank including machinery and plant equipment of the Company and stock of finished products, raw material and ancillary material of the Company's glue industry.
9. The issue and offer of the Shares to the public has been approved by the extraordinary general meeting of shareholders of the Company and consequently the Board of Management 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 Ficorinvest, SHK and Niki as the Lead Underwriters and Ficorinvest and SHK as the Managing Underwriters is valid and legally binding and enforceable in accordance with the terms thereof, with the understanding that 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. 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.
12. Up to the issue date of the certificates of the Registrars of the District Courts and the Indonesian National Arbitration Board mentioned above, to the best of our knowledge, the Company as well as the members of the Board of Management and Supervisory Board are not involved in a court case or arbitration.

TUMBUAN & ASSOCIATES

- 12 -

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.

Yours faithfully,
TUMBUAN & ASSOCIATES



Fred B.G. Tumbuan



/ XV

REPORT FROM THE APPRAISAL COMPANY



PT SATYATAMA GRAHA TARA

PERKANTORAN MAJAPAHIT PERMAI, Blok A-23, Jl. Majapahit 18-22, Jkt. 10160, (021)-345273, 349841, 3801439, Fax. (021)-3801494, P.O. Box 1647/JKBTF-11001, DIV. TEKNIK, Jl. Duren Tiga VII/41-C, Jkt. 12760, (021)-7996897, CAB. MEDAN, Jl. St. Iskandar Muda 97, (061)-526157, Fax. (061)-526157, PERW. PALEMBANG Jl. Kesuma 5-A, (0711)-22283, PERW. BANDAR LAMPUNG Jl. Dr. Soesilo No. 24 Telp. (0721)-55574 - 51421 PERW. SURABAYA, Jl. Raya Gubeng No. 44 (031)-471244.

Jakarta, January 9th, 1991

Letter No. : 1662/SGT-M/DS/11/90

Messrs :

The Board of Directors & Shareholder
PT. Kurnia Kapuas Utama Glue Industries
Jalan Teluk Betung No. 43
Jakarta 10230

Dear Sirs,

RE : APPRAISAL OF ASSETS

Complying with Your request, and within the limits of our authority as a legal appraisal company (based on permit no. S-532/MK.13/1988 dated September 29, 1988, issued by The Minister of Finance, and permit no. 39/Pen/BSP-3/IX/88 dated July 26, 1988 issued by The Minister of Trade), we have appraised the properties of PT. Kurnia Kapuas Utama Glue Industries and PT. Susel Prima Permai, which is a subordinate company owned by PT. Kurnia Kapuas Utama Glue Industries. We understand that the purpose valuation is to express an opinion about the fair market value of the fixed asset as of December 27, 1990, for the function of obtaining a public listing.

This appointment consist of valuing the land and buildings, other land improvements, machinery and equipment, heavy equipment, vehicles and ships, but not include fixtures and furniture and intangible asset of:

- I. PT. a Kapuas Utama Glue Industries, located at Jalan Adisucipto Km. 8,20 Sungai Raya, Pontianak, Kalimantan Barat.
- II. PT. Susel Prima Permai, located at Sungai Selincah, Kecamatan Ilir Timur II, Palembang, Sumatera Selatan.

VALUATION METHOD

To arrive at this value, we have correlated and integrated values derived from the approaches normally used in appraisal as follows :

For the valuation of land we used the :

Market Data Approach : A method, by which Fair Market Value is attained based on actual transactions, recordings and interviews with relevant persons, officials and land owners pertaining to an object which is approximately similar in condition to the appraised object. Subject to the condition of the Property Market during the period of appraisal, we have taken into consideration supply and demand in the neighbourhood of the subject property and of the scarcity of newly developed areas. Otherwise, we have also taken into consideration other factors such as : location, size, shape, accessibility and the time element.

For the valuation of buildings, other land improvements, machinery and equipment, heavy equipment, vehicles and ships, we used the :

Cost Approach

: A method by which the value is derived from an estimate of the Cost Reproduction/Replacement New (CRN), of the subject property in accordance with current market prices for material, labour, manufactured equipment, supervision, contractor's overhead, contractor's profit plus indirect costs, consultant fees, architect fees, freight, insurance, import duty, PPn, installation costs, (if any) without provision, for overtime or bonuses for labour and premiums for material, reduced by an estimated depreciation caused by deterioration and obsolescence. Cost Reproduction/Replacement New is the sum required to pay for or obtain a new replica similar to or equivalent to subject property in terms of material, size, shape, design, function, based on prices valid at the time of the appraisal.

- Physical deterioration:

Wear and tear, decay, dryrot, cracks, encrustation or structural defects; consideration given to age and observed physical conditions;

- Functional obsolescence:

Poor planning, functional inadequacy or over adequacy due to size, style, age or otherwise;

Economic obsolescence:

Caused by change external to the property, such as neighbourhood infiltration of inharmonious people or property uses, legislation and the like;

Extent, character and utility of the property.

We have personally inspected the property on July 5th, 1990 through December 27th, 1990, investigated local market conditions and land use (zoning) from city planning which more or less influences this appraisal.

SUMMARY :

Below is a resume of the final appraisal results of the fix assets above, based on analysis and observations related to valuation.

NO	DESCRIPTION	COST OF REPRODUCTION NEW (RUPIAH)	SOUND VALUE (RUPIAH)
--	-----	-----	-----
I.	PT. Kurnia Kapuas Utama Glue Industries, located at Jalan Adisucipto Km. 8,20 Sungai Raya, Pontianak, Kalimantan Barat.		
A.	Land (11,131 m ²)	298.050.000 *)	298.050.000
B.	Buildings	45.150.000	27.910.000
C.	Other Land Improvements	556.220.000	344.960.000
D.	Machinery and Equipments	29.250.200.000	17.681.170.000
E.	Vehicles	474.370.000	361.950.000
F.	Ships	1.392.060.000	602.370.000
	TOTAL I	32.016.050.000	19.316.410.000

NO	DESCRIPTION	COST OF REPRODUCTION NEW (RUPIAH)	SOUND VALUE (RUPIAH)
--	-----	-----	-----
II.	PT. Susel Prima Permai, located at Sungai Selincah, Kecamatan Ilir Timur II, Palembang, Sumatera Selatan.		
A.	Land (134,101.38 m ²)	2.346.640.000 *)	2.346.640.000
B.	Buildings	847.800.000	102.030.000
C.	Other Land Improvements	126.020.000	701.130.000
D.	Machinery and Equipments	16.552.080.000	12.394.280.000
E.	Heavy Equipments	676.900.000	359.210.000
F.	Ships	825.420.000	534.860.000
	TOTAL II	21.374.860.000	16.438.150.000

*) Fair Market Value is no obsolescence.

It is our opinion that :

RP 19.316.410.000

**(NINETEEN BILLION THREE HUNDRED SIXTEEN MILLION
FOUR HUNDRED AND TEN THOUSAND RUPIAHS)**

is the fair market value of the properties owned by PT. Kurnia Kapuas Utama Glue Industries and

RP 16.438.150.000

**(SIXTEEN BILLION FOUR HUNDRED THIRTY EIGHT MILLION
ONE HUNDRED AND FIFTY THOUSAND RUPIAHS)**

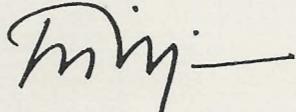
is the fair market value value of the properties owned by PT. Susel Prima Permai as of December 27th, 1990, as part of an ongoing concern and based on the attached assumptions and limiting conditions.

Investigations and inquiries pertaining to legal titles of or liabilities against the property appraised which might cause loss to the property do not form part of this valuation assignment, and is the domain of the legal consultant and Public Accountant from PT. Kurnia Kapuas Utama Glue Industries. Statement of The Legal Consultant and Public Accountant is spread reported in the companies prospectus.

We would like to emphasize that we have neither present nor prospective interest on the property appraised or on the value reported.

Data and information of the subject property are kept in our files for future references. These data are available for inspection upon authorized request.

Sincerely Yours,
PT. SATYATAMA GRAHA TARA
APPRAISAL & PROPERTY CONSULTANTS


Ir. Doli D. Siregar SCV.
President Director

MAPPI members No. 81-B-0006

KKUG&SPP.DOC



XVI

AUDITOR'S REPORT AND FINANCIAL STATEMENT

Hans Tuanakotta & Mustofa

Registered Public Accountants



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Jl. Ki.S. Mangunsarkoro No. 83, Jakarta 10310
Phone : 346543, 3105447, 325845
Facsimile : 325855

No. 200491 KKUG SA

The Board of Directors and Shareholders
PT KURNIA KAPUAS UTAMA GLUE INDUSTRIES

We have examined the balance sheet of PT KURNIA KAPUAS UTAMA GLUE INDUSTRIES as at December 31, 1990 and the related statement of income, of retained earnings and of changes in financial position for the year then ended. Our examination was 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. The financial statements of PT KURNIA KAPUAS UTAMA GLUE INDUSTRIES for the year ended December 31, 1989 were audited by other auditors, whose reissued report No. 007A/K/89/90 dated August 15, 1989 (from the previous report No. 007/K/89/90 dated June 15, 1990) expressed an unqualified opinion.

The previous auditors reissued their report in connection with the Company's plan to offer its shares to the public. As discussed in note 23 to the financial statements, the method of providing depreciation of fixed assets was changed from double declining balance to straight-line method.

In our opinion, the financial statements referred to above present fairly the financial position of PT KURNIA KAPUAS UTAMA GLUE INDUSTRIES as at December 31, 1990 and the results of its operations and the changes in its financial position for the year then ended, in conformity with generally accepted accounting principles in Indonesia applied on a consistent basis, after the restatement of the 1989 financial statements in relation to the accounting change as mentioned in the second paragraph.

HANS TUANAKOTTA & MUSTOFA

Drs. Surjadinata Sumantri
Registered Accountant No. D - 1342

April 20, 1991

Correspondent of :

DRT International
Deloitte Ross Tohmatsu

PT KURNIA KAPUAS UTAMA GLUE INDUSTRIES
BALANCE SHEETS
DECEMBER 31, 1990 AND 1989

A S S E T S

	Notes	1990	1989
CURRENT ASSETS			
Cash on hand and in banks		Rp 268,273,328	Rp 101,908,402
Accounts receivable			
Trade	2,3	488,412,441	1,092,590,213
Related parties	2,4,22	15,270,833,319	8,184,027,021
Others	5	32,559,950	4,125,600
Inventories	2,6,11	1,991,845,970	1,707,210,075
Prepaid taxes		-	169,539,303
Prepaid expense	2	34,196,324	31,884,351
Purchase advances	7	136,838,040	1,529,115,792
Total Current Assets		18,222,959,372	12,820,400,757
INVESTMENTS IN SHARES OF STOCK	2,8	7,107,990,776	-
FIXED ASSETS - net of accumulated depreciation of Rp 10,905,480,411 in 1990 and Rp 9,514,074,262 in 1989	2,9,11,23	5,211,323,799	6,142,651,810
OTHER ASSET			
Deferred shares issuance cost	2,10	149,050,100	-
TOTAL ASSETS		30,691,324,047	18,963,052,567

See accompanying notes to financial statements
which are an integral part of the financial statements.

PT KURNIA KAPUAS UTAMA GLUE INDUSTRIES
BALANCE SHEETS
DECEMBER 31, 1990 AND 1989

LIABILITIES AND STOCKHOLDERS' EQUITY

	Notes	1990	1989
		Rp	Rp
CURRENT LIABILITIES			
Bank loans	11	3,099,740,829	2,585,175,573
Accounts payable			
Trade	12	1,170,706,212	4,132,723,134
Related parties	2,13	109,213,356	11,915,950
Others		-	3,844,603
Taxes payable	2,14	1,922,529,930	351,333,921
Accrued expenses		75,578,647	4,273,849
Current maturities of long-term debt	15	-	62,948,674
Total Current Liabilities		6,377,768,974	7,152,215,704
STOCKHOLDERS' EQUITY			
Capital stock - Rp 1,000,000 par value			
Authorized - 5,000 shares			
Issued and paid up - 4,500 shares	16	4,500,000,000	4,500,000,000
Other paid up capital	17	16,000,000,000	481,239,840
Revaluation increment in fixed assets			
January 1, 1987		-	1,721,706,000
Retained earnings	2,9,17	3,813,555,073	5,107,891,023
Total Stockholders' Equity		24,313,555,073	11,810,836,863
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		30,691,324,047	18,963,052,567

See accompanying notes to financial statements
which are an integral part of the financial statements.

PT KURNIA KAPUAS UTAMA GLUE INDUSTRIES
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 1990 AND 1989

	Notes	1990	1989
		Rp	Rp
NET SALES	2,4,18,22	22,102,949,394	18,209,731,835
COST OF GOODS SOLD	19,23	15,770,234,436	14,656,609,396
GROSS PROFIT		6,332,714,958	3,553,122,439
OPERATING EXPENSES			
Selling	20a	957,130,093	1,335,517,173
General and administrative	20b,23	620,287,483	309,298,992
Total Operating Expenses		1,577,417,576	1,644,816,165
INCOME FROM OPERATIONS		4,755,297,382	1,908,306,274
OTHER INCOME (CHARGES)			
Income from subsidiary company	2,8	890,745,981	-
Gain on disposal of fixed assets	2	10,278,000	-
Gain on foreign exchange	2	736,721	-
Interest expense	11	(498,098,798)(660,702,419)	
Bank provision and administration		(20,603,423)(22,689,348)	
Miscellaneous - net	21	21,357,587 (744,448)	
Other Income (Charges) - Net		404,416,068 (684,136,215)	
INCOME BEFORE INCOME TAX		5,159,713,450	1,224,170,059
INCOME TAX	2,14	1,729,049,400	541,975,050
NET INCOME	23	3,430,664,050	682,195,009
INCOME FROM OPERATIONS PER SHARE	2	1,056,733	424,068
EARNINGS PER SHARE	2	762,370	151,599

See accompanying notes to financial statements
which are an integral part of the financial statements.

PT KURNIA KAPUAS UTAMA GLUE INDUSTRIES
STATEMENTS OF RETAINED EARNINGS
FOR THE YEARS ENDED DECEMBER 31, 1990 AND 1989

	Notes	1990	1989
		Rp	Rp
RETAINED EARNINGS AT BEGINNING OF YEAR	23	5,107,891,023	4,425,696,014
NET INCOME FOR THE YEAR		3,430,664,050	682,195,009
DIVIDENDS	24	(4,725,000,000)	-
RETAINED EARNINGS AT END OF YEAR		3,813,555,073	5,107,891,023

See accompanying notes to financial statements
which are an integral part of the financial statements.

PT KURNIA KAPUAS UTAMA GLUE INDUSTRIES
STATEMENTS OF CHANGES IN FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 1990 AND 1989

	1990	1989
	Rp	Rp
WORKING CAPITAL WAS PROVIDED FROM		
Operations :		
Net income	3,430,664,050	682,195,009
Add (deduct) items not affecting working capital		
Depreciation	1,444,148,419	1,426,252,877
Gain on sale of fixed assets	(10,278,000)	-
Income from subsidiary company	(890,745,981)	-
Total from Operations	3,973,788,488	2,108,447,886
Addition to other paid up capital	3,576,804,160	-
Proceeds from sales of fixed assets	199,729,430	-
TOTAL WORKING CAPITAL PROVIDED	7,750,322,078	2,108,447,886
WORKING CAPITAL WAS USED FOR		
Additional investments in shares of stock	13,244,795	-
Acquisitions of fixed assets	702,271,838	446,851,093
Deferred shares issuance cost	149,050,100	-
Dividends	708,750,000	-
TOTAL WORKING CAPITAL USED	1,573,316,733	446,851,093
INCREASE IN WORKING CAPITAL	6,177,005,345	1,661,596,793
ACTIVITIES NOT AFFECTING WORKING CAPITAL		
Additional other paid up capital derived from :		
Investments in shares of stock	6,204,000,000	-
Capitalization of revaluation increment in fixed assets	1,721,706,000	
Capitalization of retained earnings	4,016,250,000	
Additional investment in shares of stock derived from income from subsidiary company	890,745,981	-
TOTAL ACTIVITIES NOT AFFECTING WORKING CAPITAL	12,832,701,981	-

	1990	1989
	Rp	Rp
CHANGES IN COMPONENTS OF WORKING CAPITAL		
Current Assets		
Cash on hand and in banks	166,364,926	97,705,883
Accounts receivable		
Trade	(604,177,772)	189,397,171
Related parties	7,086,806,298	1,992,716,635
Others	28,434,350	(9,979,637)
Inventories	284,635,895	(770,873,547)
Prepaid taxes	(169,539,303)	157,807,781
Prepaid expense	2,311,973	10,472,846
Purchase advances	(1,392,277,752)	1,055,209,362
Net Change in Current Assets	5,402,558,615	2,722,456,494
Current Liabilities		
Bank loans	514,565,256	(786,316,226)
Accounts payable		
Trade	(2,962,016,922)	2,537,234,706
Related parties	97,297,406	11,915,950
Others	(3,844,603)	3,844,603
Taxes payable	1,571,196,009	(1,410,763)
Accrued expenses	71,304,798	(408,569)
Current maturities of long-term debt	(62,948,674)	(704,000,000)
Net Change in Current Liabilities	(774,446,730)	1,060,859,701
INCREASE IN WORKING CAPITAL	6,177,005,345	1,661,596,793

See accompanying notes to financial statements
which are an integral part of the financial statements.

PT KURNIA KAPUAS UTAMA GLUE INDUSTRIES
NOTES TO FINANCIAL STATEMENTS

1. GENERAL

The Company was established within the framework of the Domestic Capital Investment Law No. 6, year 1968 as amended by Law No. 12, year 1970, based on the notarial deed No. 32 dated July 8, 1981 of Didi Sudjadi SH. The articles of association was approved by the Minister of Justice in his decision letter No. Y.A.5/27/4 dated March 16, 1982 and was published in the State Gazette No. 40 dated May 20, 1986, supplement No. 690. The articles of association have been amended from time to time, most recently by notarial deed No. 716 dated August 28, 1991 of Ny. SP Henny Shidki SH., as amended by notarial deed No. 356 dated October 20, 1990 of the same notary, and was approved by the Minister of Justice in his decision letter No. C2-933.HT.01.04-TH'91 dated March 18, 1991 (See Note 25a) concerning the increase in authorized and paid-up capital .

According to article 2 of the Company's articles of association, the scope of activities of the Company comprises of manufacturing of formaldehyde and thermosetting adhesive (glue industries, glue plywood and particle board). The Company and its plant are domiciled in Pontianak.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The Company's financial statements are prepared on the historical cost concept, while the statements of changes in financial position are prepared on the working capital concept, i.e. total current assets less total current liabilities.

b. Financial Statements Presentation

Amounts presented in the financial statements and notes to financial statements are rounded into full rupiah amounts.

c. Allowance for Doubtful Accounts

The Company does not provide allowance for doubtful accounts. Accounts receivable are written-off and charged to income at the time they are absolutely determined to be no longer collectible.

d. Investments in Shares of Stock

Investments in shares of stock of 20% or more are accounted for using the equity method whereby the Company's proportionate share on the income or loss of the subsidiaries is added or deducted from the acquisition cost of the investment. Investments in shares of stock which do not exceed 20% are accounted for using the cost method.

e. Related Party Transactions

In accordance with Circular Letter No. SE-24/PM/1987 dated December 24, 1987 of the Chairman of the Capital Market Supervisory Board (Bapepam), related parties are defined as those entities with direct or indirect relationship that could have an influence on the organization or management of a company, like license agreement, family owned or controlled, etc.

f. Inventories

Inventories of raw material, finished goods, indirect material and fuel are stated at cost determined by first-in, first-out (FIFO) method. Work in process is stated at standard cost which is approximately close to historical cost determined by the average method.

g. Prepaid Expenses

Prepaid expenses are amortized over their beneficial periods by using the straight-line method.

h. Fixed Assets

Fixed assets, as of January 1, 1987 except landrights, that were used in operations and acquired up to September 12, 1986, were revalued in accordance with the Goverment Regulation No. 45 year 1986 dated October 2, 1986. Landrights and fixed assets acquired after that date are stated at cost.

Depreciation is computed on the straight-line method based on the estimated useful lives of the assets as follows :

	Years
Landrights	-
Buildings and improvements	20
Machineries and equipment	10
Office equipment and transportation equipment	5-10

Cost of maintenance and repairs is charged to income as incurred; 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 gain or loss is reflected in income for the period.

i. Deferred Shares Issuance Cost

Expenses incurred in connection with the issuance of the Company's plan to sell its shares to the public are capitalized and will be amortized based on straight-line method over a five-year period after the Company's shares are registered at the stock exchange.

j. Revenue and Expense Recognition

Revenue from sales is recognized when the product is delivered to customers, while expenses are charged based on accrual basis.

k. 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 balance sheet date, assets and liabilities denominated in foreign currencies are adjusted to reflect the rate of exchange prevailing at such date. The resulting gains or losses are credited or charged to operations of the current period.

l. Income Tax

The Company follows the taxes payable method in computing its income tax expense. Under this method, the income tax expense is determined on the basis of taxable income for the year. No deferred tax is provided for timing differences in the recognition of income and expense for financial reporting and income tax purposes.

m. Earnings per Share

Earnings per share are computed based on the weighted average of the outstanding shares during the year.

3. ACCOUNTS RECEIVABLE - TRADE

Accounts receivable are derived from sales of the Company's products to its customers with a credit term ranging from 60 - 90 days. Based on market area accounts receivable are broken down as follows :

	1990	1989
	Rp	Rp
Pontianak	446,730,796	312,251,520
Bandar Lampung	41,681,645	736,160,000
Banjarmasin	-	44,178,693
Total	488,412,441	1,092,590,213

No accounts receivable are written-off for the years ended December 31, 1990 and 1989.

4. ACCOUNTS RECEIVABLE - RELATED PARTIES

This account represents current accounts and receivables arising from sales of the Company's product with a credit term ranging from 30-90 days to affiliated companies (See Note 22). The details are as follows :

	1990	1989
	Rp	Rp
PT Ketapang Indah Plywood	8,504,270,422	-
PT Bumi Raya Utama	2,547,406,602	7,573,274,456
PT Tri Eka Sari	2,270,545,275	-
PT Katan Prima Permai	888,439,867	-
PT Kurnia Jaya Raya	603,277,044	-
PT Kurnia Kapuas Plywood Industrial Company Limited	339,580,123	-
PT Khatulistiwa Indah Wood Industries	93,393,059	-
PT Bumi Subur Lestari	12,300,000	-
PT Kapuas Raya Armada Permai Lines	4,773,510	-
PT Sinar Khatulistiwa Permai	6,750,000	-
PT Sinar Kapuas	82,000	-
PT Bumi Kapuas	15,417	-
PT Bumi Indah Raya	-	610,752,565
Total	15,270,833,319	8,184,027,021

Accounts receivable arising from sales to affiliated companies amounted to Rp 7,139,094,831 as at December 31, 1990.

On March 28, 1991, due from affiliated companies amounting to Rp 9,000,000,000 was settled.

5. ACCOUNTS RECEIVABLE - OTHERS

This account pertains mainly in connection to income from bind fast tug boat and loan to employees.

6. INVENTORIES

Inventories consist of:

	1990	1989
	Rp	Rp
Finished goods	162,153,650	55,219,224
Work in process	122,673,800	54,608,550
Raw materials	1,661,921,344	1,232,212,380
Indirect materials	43,716,250	364,041,521
Fuel	1,380,926	1,128,400
 Total	 1,991,845,970	 1,707,210,705

Inventories are used as collaterals to loan facilities from Bank Negara Indonesia 1946, Pontianak (See Note 11).

7. PURCHASE ADVANCES

This account represents advance for purchases of raw materials and indirect materials.

8. INVESTMENTS IN SHARES OF STOCK

This account represents investments in shares of stock, which as at December 31, 1990 are as follows :

	Ownership %	Total Investment Rp	Income From Subsidiary Company		Total Rp
PT Susel Prima Permai, Palembang	100	6,204,000,000	890,745,981	7,094,745,981	
AIFTA Superin (PTE) Ltd, Singapore	3	13,244,795	-	13,244,795	
Total		6,217,244,795	890,745,981	7,107,990,776	

9. FIXED ASSETS

Fixed assets consist of :

	1990		
	At cost Rp	Accumulated Depreciation Rp	Net book Value Rp
Landrights	229,609,300	-	229,609,300
Buildings and improvements	3,072,231,982	983,541,449	2,088,690,533
Machinery and equipment	11,409,269,589	8,956,813,657	2,452,455,932
Office equipment	32,042,500	17,417,877	14,624,623
Transportation equipment	1,373,650,839	947,707,428	425,943,411
Total	16,116,804,210	10,905,480,411	5,211,323,799

	1989		
	At cost Rp	Accumulated Depreciation Rp	Net book Value Rp
Landrights	224,492,000	-	224,492,000
Buildings and improvements	2,829,023,430	841,723,348	1,987,300,082
Machinery and equipment	11,270,338,303	7,826,820,832	3,443,517,471
Office equipment	15,322,500	13,607,974	1,714,526
Transportation equipment	1,317,549,839	831,922,108	485,627,731
Total	15,656,726,072	9,514,074,262	6,142,651,810

Based on the approval from the Tax Service Office Pontianak No. KEP.2451/WPJ.07/KI.11/1988 dated December 30, 1988, the January 1, 1987 revaluation increment of fixed assets is Rp 1,721,706,000. In 1990, this amount was capitalized to other paid up capital (See Notes 17 and 25a).

Depreciation charged to operations amounted to Rp 1,444,148,419 and Rp 1,426,252,877 for the years ended December 31, 1990 and 1989, respectively.

Portion of the Company's fixed assets i.e. landrights, buildings and glue machineries are used as collaterals for the bank loan from Bank Negara Indonesia 1946, Pontianak Branch (See Note 11).

10. DEFERRED SHARES ISSUANCE COST

This account consists of expenses incurred in connection with the Company's plan to offer its shares to the public. This pertains mainly to management fee, professional fee and printing.

11. BANK LOANS

As at December 31, 1990 and 1989, the Company has and used the following credit facilities :

	1990	1989
	Rp	Rp
Bank Negara Indonesia 1946, Pontianak, Branch		
Working capital-local, maximum of Rp 1,000,000,000, interest at 19.5% - 21% per annum	603,350,890	335,175,573
Working capital-export, maximum of Rp 2,600,000,000, interest at 14.5% - 21% per annum	2,494,389,939	2,250,000,000
Total	3,099,740,829	2,585,175,573

Working capital credit-local and export from Bank Negara Indonesia 1946, Pontianak Branch are secured by the Company's inventories, landrights, buildings and glue machineries; corporate guarantee of PT Bumi Indah Raya; and personal guarantee from shareholders (See Notes 6 and 9).

12. ACCOUNTS PAYABLE - TRADE

This account represents payables to Company's suppliers arising from purchases of raw materials and/or services consisting mainly of methanol and urea with credit terms ranging from 60 - 90 days. The details of this account based on type of product are as follows :

	1990	1989
	Rp	Rp
Urea	892,715,173	527,513,432
Equipment and spareparts	223,486,552	1,472,795,156
UF 48 and hardener	30,049,200	-
Methanol	-	1,794,146,686
Others	24,455,287	338,267,860
Total	1,170,706,212	4,132,723,134

13. ACCOUNTS PAYABLE - RELATED PARTIES

This account represents non-interest bearing current accounts with affiliated companies with terms ranging from 60 - 90 days. (See Notes 2 and 22). These are broken down as follows :

	1990	1989
	Rp	Rp
PT Bumi Indah Raya	47,013,330	11,915,950
PT Tri Ika Sari	34,321,082	-
PT Bumi Lampung Permai	27,243,900	-
PT Kapuas Raya Armada Lines	635,044	-
Total	109,213,356	11,915,950

14. TAXES PAYABLE

Taxes payable consists of :

	1990	1989
	Rp	Rp
Income tax payable	1,125,733,757	351,333,921
Income tax		
article 25	42,743,000	-
article 23	712,193,546	-
article 21	12,200,175	-
Value added tax	29,659,452	-
Total	1,922,529,930	351,333,921
	=====	=====

Reconciliation between income before income tax and taxable income as at December 31, 1990 and 1989 are as follows :

	1990	1989
	Rp	Rp
Income before income tax	5,159,713,450	1,224,170,059
<u>Positive adjustments</u>		
Timing differences :		
Excess of tax over book depreciation	562,270,268	341,472,274
Non deductible expenses		
Employees benefits in kind	104,667,327	
Representation	21,378,948	
<u>Negative adjustments</u>		
Income from subsidiary company	(890,745,981)	-
Taxable income	4,957,284,012	1,565,642,333
	=====	=====

Income tax :

1990

15 % x Rp 10,000,000 = Rp 1,500,000
25 % x 40,000,000 = 10,000,000
35 % x 4,907,284,000 = 1,717,549,400

1,729,049,400

1989

15 % x Rp 10,000,000 = Rp 1,500,000
25 % x 40,000,000 = 10,000,000
35 % x 1,515,642,000 = 530,475,050

541,975,050

Income tax prepayments

Income tax

Article 22
Article 25

167,795,643 29,068,129
435,520,000 161,573,000

Total

603,315,643 190,641,129

Income tax payable

1,125,733,757 351,333,921

===== =====

Tax computation in 1989 is in accordance with the corporate income tax returns.

15. CURRENT MATURITIES OF LONG-TERM DEBT

150,000
This account represents current maturities of investment credit from Bank
Negara Indonesia 1946, bearing interest at 13.5% per annum.

500,000

16. CAPITAL STOCK

Based on the notarial deed No. 111, 112 and 113 dated June 30, 1990 of Agus
Hashim Ahmad SH, the changes of composition of stockholders and purchase and
sale of shares were approved.

Share ownership as at December 31, 1990 and 1989 are as follows :

1990			
Name of Stockholders	Number of Shares issued	Percentage of ownership	Total Capital stock
PT Kurnia Musi Plywood			
Industrial Company Limited	300	6.66 %	300,000,000
PT Kurnia Kapuas Plywood			
Industrial Company Limited	300	6.66 %	300,000,000
Mr Adijanto	1,360	30.22 %	1,360,000,000
Mr Soenaryo Priosoetanto	1,122	24.93 %	1,122,000,000
Mr Pintarso Adijanto	174	3.87 %	174,000,000
Mr Winoto Adijanto	174	3.87 %	174,000,000
Mr Swandono Adijanto	174	3.87 %	174,000,000
Mr Pandjijono Adijanto	174	3.87 %	174,000,000
Mr Suparno Adijanto	174	3.87 %	174,000,000
Mr Lukman Priosoetanto	174	3.87 %	174,000,000
Mr Satia Priosoetanto	174	3.87 %	174,000,000
Heirs of Ir. Adiono	100	2.22 %	100,000,000
Mrs Antje	50	1.11 %	50,000,000
Mrs Mimi Purnomo	50	1.11 %	50,000,000
Total	4,500	100.00 %	4,500,000,000

1989			
Name of Stockholders	Number of Shares issued	Percentage of ownership	Total Capital stock
PT Kurnia Musi Plywood			
Industrial Company Limited	300	6.66 %	300,000,000
PT Kurnias Kapuas Plywood			
Industrial Company Limited	300	6.66 %	300,000,000
Mr Adijanto	1,360	30.22 %	1,360,000,000
Mr Soenaryo Priosoetanto	1,470	32.67 %	1,470,000,000
Mr Pintarso Adijanto	174	3.87 %	174,000,000
Mr Winoto Adijanto	174	3.87 %	174,000,000
Mr Swandono Adijanto	174	3.87 %	174,000,000
Mr Pandjijono Adijanto	174	3.87 %	174,000,000
Mr Suparno Adijanto	174	3.87 %	174,000,000
Heirs of Ir. Adiono	100	2.22 %	100,000,000
Mrs Antje	50	1.11 %	50,000,000
Mrs Mimi Purnomo	50	1.11 %	50,000,000
Total	4,500	100.00 %	4,500,000,000

(See Note 25a).

17. OTHER PAID UP CAPITAL

a. Based on the extraordinary stockholders' meeting as recorded in notarial deed No. 716 dated August 28, 1990 of Ny. S.P. Henny Shidki SH., the Company's stockholders decided, among others, the following :

- To approve all the changes of the Company's articles of association in line with the Company's plan to sell its shares through the capital market in Indonesia.
- To increase the authorized capital from Rp 5,000,000,000 with par value of Rp 1,000,000 to Rp 35,000,000,000 consisting of 35,000,000 shares with par value of Rp 1,000 per share.
- To increase the paid up capital from Rp 4,500,000,000 to Rp 20,500,000,000 which is derived from the following :
 - a. Paid up capital prior to capital increase amounting to Rp 4,500,000,000
 - b. Capitalization of due to shareholders amounting to Rp 3,576,804,160
 - c. Capitalization of revaluation increment of fixed assets on January 1, 1987 amounting to Rp 1,721,706,000
 - d. Capitalization of tax amnesty amounting to Rp 481,239,840
 - e. Capitalization of retained earnings amounting to Rp 4,016,250,000
 - f. To issue new 6,204,000 shares (Rp 6,204,000,000) for the purchase of 100% share ownership of PT Susei Prima Permai.
- In addition, to approve the subscribed and paid up capital of Rp 25,000,000,000 or 25,000,000 shares, by selling the Company's shares to public of 4,500,000 shares.

b. Other paid up capital as at December 31, 1989 from tax amnesty was in accordance with Presidential Decree No. 26 year 1984.

(See Note 25a).

18. NET SALES

The details of sales based on type of products for the years ended December 31, 1990 and 1989 are as follows :

Type of product	1990	1989
	Rp	Rp
UF Glue 48	16,801,361,650	14,502,968,394
UF Glue 65	1,913,285,000	1,785,750,000
MUF Glue 56	247,800,000	870,644,941
Hardener "s"	301,487,624	279,875,000
PF Glue 45	272,610,000	-
Phenol Resin	1,656,942,600	677,561,000
Formalin	110,132,500	89,662,500
Income from freight	799,330,020	-
Extra hardener	-	3,270,000
Total	22,102,949,394	18,209,731,835

Net sales represent revenue from sales less goods shrinkage on delivery.

19. COST OF GOODS SOLD

The details of cost of goods sold are as follows :

	1990	1989
	Rp	Rp
Raw Materials Used	11,599,311,677	9,234,585,318
Direct Labor	52,029,145	30,560,455
Manufacturing Overhead	3,521,110,444	4,046,481,604
Total Manufacturing Cost	15,172,451,266	13,311,627,377
Work in Process		
At the beginning of year	54,608,550	182,655,138
At the end of year	(122,673,800)	54,608,550
Cost of Goods Manufactured	15,104,386,016	13,439,673,965
Finished Goods Inventory		
At the beginning of year	55,219,224	1,272,154,655
Purchases	772,782,846	-
At the end of year	(162,153,650)	55,219,224
Cost of Goods Sold	15,770,234,436	14,656,609,396

20. OPERATING EXPENSES

a. Selling

Selling expenses consist mainly of shipping expenses, unloading of cargo, travelling and handling fee.

b. General and Administrative

General and administrative expenses consist mainly of salaries and wages, travelling, professional fees, electricity/telephone, depreciation, handling fee, retribution/contribution, representation and accomodation.

21. MISCELLANEOUS - NET

This account is mainly related to income from bind fast tug boat motor.

22. RELATED PARTY TRANSACTION

The Company, in the normal course of business, sells its products to its affiliated companies and makes advances and other payable transactions with companies which are considered related party as defined by Capital Market Supervisory Board (Bapepam), since shareholders of these companies are the same with those of the Company. Sales to the affiliated companies amounted to Rp 16,317,698,905 (76%) and Rp 14,716,419,411 (81%) for the years ended December 31, 1990 and 1989, respectively (See Note 4).

23. ACCOUNTING CHANGE

In 1990, the Company changed the method of providing depreciation of fixed assets from double declining to straight-line method. The Company's management believed that this change of accounting method will be more informative in the relation to fixed assets and the related expenses accounts.

For recording purposes, the cumulative effect of this change was recorded in retained earnings account at the beginning of 1990. While for comparative presentation purposes, the cumulative effect was recorded in the beginning balance of retained earnings in 1988. Furthermore, the company restated the financial statements for the year ended December 31, 1989.

In connection with this restatement, the following accounts as at December 31, 1989 have been restated as follows :

	1989	
	As Previously Reported	As restated
	Rp	Rp
Fixed assets - net	4,803,048,200	6,142,651,810
Depreciation	1,084,779,803	1,426,252,877
Cost of goods sold	14,298,336,322	14,656,609,396
General and administrative expenses	326,098,992	309,298,992
Net income	1,023,668,083	682,195,009
Retained earnings	3,768,287,413	5,107,891,023

24. DIVIDENDS

Based on the extraordinary shareholders' meeting on August 28, 1990, the Company declared dividends for 1990 as follows :

	1990
	Rp
Stock dividends (See Note 17)	4,016,250,000
Tax on dividends	708,750,000
Total	4,725,000,000
	=====

25. SUBSEQUENT EVENTS

a. All of the changes of the Company's articles of association as stated in the notarial deed No. 716 dated August 28, 1990 of Ny. S.P. Henny Shidki SH., and amended by notarial deed No. 356 dated October 20, 1990 of the same notary, were approved by the Minister of Justice in his decision letter No. C2-93.HT.01.04-TH'91 dated March 18, 1991.

Share ownership after such changes as at December 31, 1990 are as follows :

Name of Stockholders	Number of Shares issued	Percentage of ownership	Total Capital stock
			Rp
PT Kurnia Musi Plywood			
Industrial Company Limited	300,000	1.46 %	300,000,000
PT Kurnias Kapuas Plywood			
Industrial Company Limited	300,000	1.46 %	300,000,000
Mr Adijanto	5,000,000	24.39 %	5,000,000,000
Mr Soenaryo Priosoetanto	5,000,000	24.39 %	5,000,000,000
Mr Pintarso Adijanto	1,300,000	6.34 %	1,300,000,000
Mr Winoto Adijanto	1,300,000	6.34 %	1,300,000,000
Mr Swandono Adijanto	1,300,000	6.34 %	1,300,000,000
Mr Pandijono Adijanto	1,300,000	6.34 %	1,300,000,000
Mr Suparno Adijanto	1,300,000	6.34 %	1,300,000,000
Mr Lukman Priosoetanto	1,300,000	6.34 %	1,300,000,000
Mr Satia Priosoetanto	1,300,000	6.34 %	1,300,000,000
Heirs of Ir. Adiono	528,000	2.58 %	528,000,000
Mrs Antje	123,000	0.60 %	123,000,000
Mrs Mimi Purnomo	149,000	0.74 %	149,000,000
Total	20,500,000	100.00 %	20,500,000,000

(See Note 17).

b. On April 12, 1991, the Company submitted its Registration Statement to the Capital Market Supervisory Board (Bapepam) in the framework of the plan for the issuance of 4,500,000 shares with par value of Rp 1,000 per share or with a total amount of Rp 4,500,000,000.

26. RECLASSIFICATION OF ACCOUNTS

Certain accounts in the 1989 financial statements were reclassified to conform with the 1990 financial statements presentation.

NAME AND DOMICILE**Article 1**

1. The Company shall be named the limited liability company "P.T. KURNIA KAPUAS UTAMA GLUE INDUSTRIES", and domiciled in Pontianak, and shall have branches and/or representative offices in other locations as deemed necessary by the Board of Directors.

PURPOSE AND OBJECTIVES**Article 2**

1. The purpose and objectives of the Company are:
 - a. To carry out business in the Formalin and Thermosetting Adhesive Industry (a glue, and plywood and particle board adhesive industry);
 - b. To carry out business in the Wood Industry, and exploitation of forestry proceeds, and other industries, such as cargo transport, plantation estates, agriculture, husbandry, fishery, warehousing, motor vehicle repair, and shipping;
 - c. To carry out import business activities, particularly the import of goods, equipment and machinery required for the industries mentioned in letters a. and b. above.
 - d. To carry out general commercial trade business, including the sales/purchase and export of the industrial products mentioned in letters a. and b. above, and to carry out inter-island trade, and to become a supplier, distributor, wholesaler, agent and commissioned agent for all types of goods which can be traded.
2. The Company is entitled to establish or participate in the establishment of companies or other legal entities having the same or similar objectives as the Company and generally to carry out all acts, whether directly or indirectly related to such objectives.

PERIOD OF ESTABLISHMENT**Article 3**

The Company shall be established for a period of 75 (seventy five) years, commencing from the sixteenth day of March nineteen hundred and eighty two (16-3-1982) pursuant to the Government decree containing approval of these Articles of Association, without prejudice to the provisions of Article 51 of the Commercial Law Code.

CAPITAL**Article 4**

1. The authorized capital of the Company totals Rp. 35,000,000,000 (thirty five billion rupiah) divided into 35,000,000 (thirty five million) shares, each with a par value of RP. 1,000 (one thousand rupiah).
2. Of this Capital, a total of 20,500,000 (twenty million five hundred thousand) shares have been issued and paid up in full, for a total of Rp. 20,500,000,000 (twenty billion five hundred million rupiah), by :

Mr. SOENARYO PRIOSOETANTO, a total of 5,000,000 (five million) shares or a total par value of Rp. 5,000,000,000 (five billion rupiah);

Mr. LUKMAN PRIOSOETANTO, a total of 1,300,000 (one million three hundred thousand) shares or a total par value of Rp. 1,300,000,000 (one billion three hundred million rupiah);

Mrs. MIMI PURNOMO, a total of 149,000 (one hundred and forty nine thousand) shares or a total par value of Rp. 149,000,000 (one hundred and forty nine million rupiah);

Mr. SATIA PRIOSOETANTO, a total of 1,300,000 (one million three hundred thousand) shares or a total par value of Rp. 1,300,000,000 (one billion three hundred million rupiah);

P.T. KURNIA MUSI PLYWOOD, a total of 300,000 (three hundred thousand) shares or a total par value of Rp. 300,000,000 (three hundred million rupiah);

P.T. KURNIA KAPUAS PLYWOOD, a total of 300,000 (three hundred thousand) shares or a total par value of Rp. 300,000,000 (three hundred million rupiah);

Mr. ADIJANTO, a total of 5,000,000 (five million) shares or a total par value of Rp. 5,000,000,000 (five billion rupiah);

Mr. PINTARSO ADIJANTO, a total of 1,300,000 (one million three hundred thousand) shares or a total par value of Rp. 1,300,000,000 (one billion three hundred million rupiah);

Mr. WINOTO ADIJANTO, a total of 1,300,000 (one million three hundred thousand) shares or a total par value of Rp. 1,300,000,000 (one billion three hundred million rupiah);

Mr. SWANDONO ADIJANTO, a total of 1,300,000 (one million three hundred thousand) shares or a total par value of Rp. 1,300,000,000 (one billion three hundred million rupiah);

Mr. SUPARNO ADIJANTO, a total of 1,300,000 (one million three hundred thousand) shares or a total par value of Rp. 1,300,000,000 (one billion three hundred million rupiah);

Mr. PANDJIJONO ADIJANTO, a total of 1,300,000 (one million three hundred thousand) shares or a total par value of Rp. 1,300,000,000 (one billion three hundred million rupiah);

Mrs. ANTJE, a total of 123,000 one hundred twenty three thousand) shares or a total par value of Rp. 123,000,000 (one hundred twenty three million rupiah);

The heirs to the late Mr. Ir. ADIONO, a total of 528,000 (five hundred twenty eight thousand) shares or a total par value of Rp. 528,000,000 (five hundred and twenty eight million rupiah);

Or an overall total of 20,500,000 (twenty million five hundred thousand) shares or a overall total of Rp. 20,500,000,000 (twenty billion five hundred million rupiah).

3. The other shares shall be issued by the Board of Directors according to working capital requirements, at the time and according to prerequisites determined by a Meeting of the Board of Directors with approval of the General Meeting of Shareholders, and pursuant to the provisions of these Articles of Association, providing the sale is not below par value.
4. If the shares which are still held in the share portfolio are to be issued by private placement, then all of the shareholders whose names are registered in the register of shareholders shall first be given opportunity to purchase the shares to be issued and each shareholder is entitled to purchase shares according to the ratio of shares which they own by cash deposit within a period of 1 (one) month after the Board of Directors announces their resolution regarding the share issue in 2 (two)

daily Indonesian language newspapers, one of which must have a wide circulation and 1 (one) which is circulated in the vicinity of the domicile of the Company. If, within a period of 1 (one) month, the shareholders have not exercised their right to purchase of the shares being offered by making cash payment of the offered price to the Company, then the passage of this 1 (one) month period shall constitute sufficient proof, that they have not exercised their rights, so that it is not necessary to give further warning to each of the shareholders in question, and thereafter the Board of Directors shall be free to issue the said shares proportionately to the shareholders whose applications have not yet been fulfilled entirely and who are still ready to purchase the shares which have not yet been sold, according to the same prerequisites and at the same price, taking into consideration, however, the regulations governing foreign investors in the capital market, and if there are still shares which are not purchased, those shares shall not be issued and shall continue to remain in the share portfolio of the Company;

5. If shares which have not yet been allotted and/or issued are to be issued to shareholders as convertible bonds or as warranty securities issued by the Company pursuant to approval of a General Meeting of Shareholders, then the Board of Directors is authorized to carry out the issue of these shares without offering existing shareholders the right to first purchase of the shares to be issued, but with respect to the regulations in force in the capital market regarding foreign investors and without prejudice to any permits required from the competent authorities as outlined in the laws and regulations in force.
6. In the event the authorized capital is increased then any share placement thereafter may only be carried out by the Board of Directors with approval of the General Meeting of Shareholders pursuant to certain prerequisites determined by a Meeting of the Board of Directors in which the Board of Directors shall determine the price of the shares to be issued, along with any prerequisites deemed necessary, however, not below par value, and without prejudice to permits required from the competent authorities.
7. In the event of further increases in the number of shares issued in connection with an increase in authorized capital as described in paragraph 6 of this article, the provision of paragraph 4 of this article shall apply mutatis mutandis for the private placement of shares issued as a result of the increase in capital.

SHARES

Article 5

1. All shares of the company shall be subscribed in the name of the owners whose names are registered in the shareholders register.
2. A share certificate shall be issued for each share which shall bear the signature or the printed signature of the President Director and President Commissioner which shall be printed on the share certificate in question. Each share certificate shall be issued a consecutive number and date stamp, along with the signature of a witness who shall be determined by the Board of Directors.
3. A collective share certificate shall be issued as evidence of ownership of more than 1 (one) share. The signature or printed signature of the President Director and the President Commissioner shall be affixed to these collective share certificates.
4. The Company only acknowledges one person as the owner of one share, namely, the person whose name is registered as the owner in the shareholders register. If a share, for whatever reason, becomes the property of several persons, then those persons who jointly own the share shall be obliged to appoint a proxy, whether from among themselves or from without their party, and only that appointed proxy shall be entitled to act legally on their behalf to carry out the rights and privileges of a shareholder in respect to share ownership.

- 5. For shares which are listed on the Stock Exchange in Indonesia, the regulations in force on the Stock Exchange in the places where the shares are listed shall apply.
- 6. Shareholders must comply with these Articles of Association and with legal resolutions adopted by a General Meeting of Shareholders.

DUPLICATE SHARE CERTIFICATES

Article 6

- 1. If a share certificate is no longer usable due to damage, then upon written request of the party concerned, the Board of Directors shall issue a duplicate in substitution of the damaged share certificate, while the original certificate must be returned to the Board of Directors to be destroyed.
- 2. If a share certificate is lost, then upon written request of the party concerned, the Board of Directors are entitled to issue a duplicate in substitution of the lost certificate, if, in the opinion of the Board of Directors sufficient evidence is provided that the documents in question are truly lost.
After a duplicate certificate is issued in substitution of a lost certificate, then announcement of such must be made by the party concerned in the State Gazette, and in one daily newspaper circulated in the vicinity of the domicile of the Company.
- 3. In regard to substitution of shares listed on the Stock Exchange in Indonesia, the regulations in force in the Stock Exchange where the shares are listed will apply, without prejudice to the general laws and regulations in force.
- 4. Costs incurred for the issuance of duplicate certificates in substitution of lost or damaged share certificates, shall be borne by those who requested the issuance of the duplicates.
- 5. The original certificates, for which duplicates have been issued according to the provisions of this article, shall no longer be considered of value by the Company.

SHAREHOLDERS REGISTER

Article 7

- 1. A shareholders register shall be maintained in the office of the Company. The number of each share issued by the Company, as well as the complete names and addresses of the owners, along with any transfer or relinquishment of the shares in question, along with any other vital matters concerning the shares, shall be recorded in the shareholders register.
- 2. Share certificates may only be legally transferred or relinquished, if carried out pursuant to regulations of the Board of Directors, except due to inheritance. Relinquishment and name transfers shall be carried out by the Board of Directors by written notation of such on the share certificate in question and in the shareholders register.
These notations must include the date of relinquishment or name transfer and must be signed by a director and a commissioner.
- 3. Upon request of the shareholder concerned or the mortgage recipient, the mortgage of a share must be recorded in the shareholders register according to procedures to be determined by the Board of Directors and based on evidence acceptable to the Board of Directors of the share mortgage. Acknowledgement of the share mortgage by the Company as required pursuant to article 1153 of the Civil Law Code shall only be evidenced by notation of the mortgage in the Shareholders Register of the Company.
- 4. The Directors or Commissioners are entitled to refuse to carry out a name transfer as described above, if not legitimately based on a letter of transfer, signed by the

party making the transfer and by the recipient of the transfer or based on other evidence which in the opinion of the Director and Commissioner signing the said declaration, constitutes insufficient proof that the transfer and relinquishment is being carried out legally.

Moreover, the Board of Directors and Commissioners are obliged to take into consideration the regulations governing relinquishment and name transfers for share certificates in connection with those points mentioned in article 5 paragraph 1 and also the regulations described in article 8.

5. Commencing from the day of announcement of a summons for a General Meeting of Shareholders up until the day the meeting is over, relinquishment and transfer of name for a share certificate shall not be performed.
6. Relinquishment and transfer of name for a share certificate contrary to this article or the following article, shall not be binding to the Company, with the understanding that the share certificate in question can not be used by any recipient of such a transfer to exercise the rights and privileges of a shareholder. Without prejudice to the laws and regulations in force in this country.
7. The Board of Directors is responsible to properly maintain the shareholders register as described in this article.
Every shareholder concerned is entitled to examine and copy the contents of the said register.

TRANSFER OF RIGHTS TO SHARES

Article 8

1. In the event of any change of ownership to a certain share, the original owner who is registered in the Shareholders Register shall continue to be considered as the rightful shareholder until the name of the new shareholder is entered into the Shareholders Register, without prejudice to any permits required by the competent authorities.
2. All transfers or consignment of rights to shares must be evidenced by documents signed by or on behalf of the party making the transfer of rights and the party receiving the transfer of rights to the shares in question.
Documents regarding transfer of rights to a share must be in a form determined and/or acceptable to the Board of Directors, with the stipulation that documents regarding transfer of rights to shares listed on the Stock Exchange in Indonesia must be in compliance with regulations in force on the Stock Exchange in the place where the shares are listed, without prejudice to the provisions of the Commercial Law Code governing transfers of shares.
3. Such transfer of rights shall be registered in the shareholders register and upon the share certificate in question, and such notations must be signed by the President Director or 2 (two) other members of the Board of Directors or their legal proxies.
4. The Board of Directors, after explaining the reasons involved, may refuse to register the transfer of rights to a share in the shareholders register if the procedures set by the Board of Directors are not fulfilled or if one of the prerequisites for transfer of shares is not fulfilled.
5. For those shares of the Company listed on the Stock Exchange in Indonesia, any refusal to register such a transfer of rights to a share must be in accordance with the regulations in force in the stock exchange in the place where the shares are listed.
6. If the Board of Directors refuses to register a transfer of rights to a share, then they are obliged to send an announcement of the refusal to the party intending to make the transfer of rights within a period of 30 (thirty) calendar days, after the date of application for registration is received by the Board of Directors.

7. Transfer of rights to a share may not be performed from the date of forwarding of a summons for a General Meeting of Shareholders up until the date of closure of the said meeting.
8. Those persons who are entitled to shares due to the death of a shareholder or for whatever reason causing ownership of a share to be transferred according to law, after submission of evidence of such rights as deemed necessary from time to time by the Board of Directors, may submit a written application to be registered as shareholders.
Registration may only be carried out if such evidence is acceptable to the Board of Directors, without prejudice to the provisions of these Articles of Association.
9. Any limitations, prohibitions and provisions in these Articles of Association which govern the rights to transfer rights to a share and the registration of the transfer of rights to a share, must be applied *mutatis mutandis* regarding any transfer of rights pursuant to paragraph 8 of this article.

MANAGEMENT AND SUPERVISION

Article 9

1. The Company shall be managed by a Board of Directors consisting of at least 3 (three) Directors, a President Director assisted by at least 2 (two) Directors, under the supervision of a Board of Commissioners, consisting of at least 2 (two) Commissioners, one of which shall act as President Commissioner.
2. Those who are entitled to be appointed as members of the Board of Directors and members of the Board of Commissioners shall only be Indonesian citizens., and in the event of loss of Indonesian citizenship, the party concerned shall be considered to have resigned from his/her position.
3. The members of the Board of Directors and the members of the Board of Commissioners shall be appointed by a General Meeting of Shareholders for a period of 5 (five) years commencing from the date set by the General Meeting of Shareholders in which the appointments were made up until the close of the fifth General Meeting of Shareholders after the date of appointment.
4. The members of the Board of Directors and the members of the Board of Commissioners shall receive a salary and/or allowances, the sum of which shall be determined in a General Meeting of Shareholders.
5. If for whatever reason, a vacancy occurs among the members of the Board of Directors and/or the members of the Board of Commissioners, with a period of one month after the vacancy occurs, a General Meeting of Shareholders must be held to fill the said vacancy, taking into consideration paragraph 2 of this article.
The period of posting of a person appointed to substitute for the vacant membership of the Board of Directors shall be for the remainder of the term of office of the Director who was suspended/changed.
6. Expired terms of office of the members of the Board of Directors may be extended.
7. A member of the Board of Directors may resign from his/her post by giving written notification of their intention to the Company at least 30 (thirty) calendar days before.
Accounting may still be requested in the following General Meeting of Shareholders from a member of the Board of Directors who resigns commencing from the time of their appointment until the date of resignation.
8. The term of office of a member of the Board of Directors shall be automatically terminated, if the said member of the Board of Directors:
 - a. is declared bankrupt or put under receivership, pursuant to a decision of court, or

- b. is dismissed as arranged in paragraph 5 of article 9, or
- c. is prohibited from being a member of the Board of Directors pursuant to the provisions of laws and regulations in force, or
- d. resigns, providing written notification, or
- e. passes away.

BOARD OF DIRECTORS

Article 10

The members of the Board of Directors, whether individually or collectively shall represent the Company both in and out of Court regarding all matters and in regard to all events and shall be entitled to bind the Company to another party or another party to the Company, and to carry out all acts, both regarding ownership or management, except for the purpose of:

- a. Loaning or borrowing money (in this case not including withdrawal of funds from already existing credit lines);

- b. Binding the Company as a guarantor;

- c. Purchasing, selling, terminating or by any other means obtaining or releasing the rights to immoveable goods;

- d. Posting the moveable assets of the Company as collateral;

they must obtain approval from a Commissioner.

- 2. Delegation of duties within the Company among the members of the Board of Directors shall be mutually arranged and determined by the members themselves.
- 3. The Board of Directors, without neglect of their responsibilities, are entitled to appoint one or more persons as their proxy(ies) and grant written power of attorney to carry out certain acts.
- 4. Any acts of the members of the Board of Directors which are contrary to these Articles of Association are not legal.

MEETINGS OF THE BOARD OF DIRECTORS

Article 11

- 1. A Meeting of the Board of Directors may be held upon request of the President Director or one or more of the other members of the Board of Directors any time deemed necessary, providing that written summons of the Meeting is forwarded directly with proof of receipt or by telex, at least 7 (seven) calendar days before the Meeting is held, not counting the date of the summons and the date of the Meeting.
The summons must contain the agenda of the Meeting, the date, time and location of the Meeting.
If all the members of the Board of Directors are in attendance and/or represented, prior written summons is not required.
A Meeting of the Board of Directors must be held within the territory of the Republic of Indonesia at a time and place determined by the members of the Board of Directors summoning the Meeting.
- 2. The President Director shall chair A Meeting of the Board of Directors and in the event the President Director is not in attendance or available, proof of which does not need to be presented to a third party, one of the other members of the Board of Directors appointed by the Meeting of the Board of Directors shall chair the Meeting.

3. A Meeting of the Board of Directors shall be legal and binding only if more than 50% (fifty percent) of the total members of the Board of Directors are in attendance and/or represented in the Meeting.
4. In Meetings of the Board of Directors, a member of the Board of Directors may only be represented by another member of the Board of Directors pursuant to a power of attorney.
5. Resolutions of a Meeting of the Board of Directors must be adopted based on a vote of agreement of more than 50% (fifty percent) of the total members of the Board of Directors in office.
6. Each member of the Board of Directors is entitled to cast 1 (one) vote and 1 (one) additional vote as proxy for each member of the Board of Directors they represent.
7. Blank votes or legal votes shall be considered non-existent and shall not be counted in the total number of votes cast in a Meeting of the Board of Directors.
8. Minutes of the Meetings of the Board of Directors must be drawn up by an attendee of the Meeting who is appointed by the Chairman of the Meeting and must then be signed by the Chairman of the Meeting and another member of the Board of Directors in attendance and appointed by the Meeting, in order to safeguard the accuracy and truth of the Minutes.
The Minutes shall constitute legal proof to all the members of the Board of Directors and any third parties of all resolutions adopted in the said Meeting.
If the Minutes are drawn up before a Notary, signature is not required.
9. The Board of Directors may also adopt legal resolutions without holding a Meeting of the Board of Directors, providing all the members of the Board of Directors have been notified in writing regarding the proposals in question and all of the members of the Board of Directors in office, have approved the proposals in question by signing a written letter of approval.
Resolutions adopted in such a way by the Board of Directors shall be the same as resolutions adopted in a Meeting of the Board of Directors.

BOARD OF COMMISSIONERS

Article 12

1. The Board of Commissioners shall be responsible to supervise the performance of the Board of Directors.
2. The Commissioners, whether individually or collectively, shall be entitled at any time to enter the buildings and premises, or other places used and/or under control of the Company and shall be entitled to inspect the financial records, receipts, documents, and to examine and audit the cash statement and other such matters, and to be informed of all actions which have been taken.
3. The Board of Commissioners is entitled, at the expense of the Company, to commission the aid of experts to carry out the said audit.
4. The Board of Directors is obliged to provide clarification of any matters asked of them and which are needed for the purpose of the said supervision and inspection.
5. The Board of Commissioners, by majority vote, is entitled at any time to temporarily dismiss one or more of the members of the Board of Directors from their duties, if he/she/they are found acting in contradiction to these Articles of Association or in neglect of their responsibilities or for other substantial causes. Such dismissal from duty must be announced by letter to the party(ies) concerned, accompanied by the grounds for such.
6. Within a period of one month after such dismissal from duty, the Board of Commissioners is obliged to hold a Extraordinary General Meeting of Shareholders, during which meeting it shall be determined whether the member(s)

of the Board of Directors in question will be dismissed or if the release from duty will be canceled, and the party(ies) concerned shall be given opportunity to attend and defend themselves.

This Meeting shall be chaired by a Commissioner and if a commissioner is not in attendance, then by a person chosen by and from among those in attendance.

7. If the General Meeting of Shareholders is not held within a period of one month after the temporary dismissal from duty, then the dismissal from duty shall legally be annulled.

If all the members of the Board of Directors are dismissed from their duties or if for whatever reason are unable to carry out their duties, or for whatever reason a Board of Directors does not exist, then the Board of Commissioners shall temporarily be responsible for the management of the Company.

In such a case, the Board of Commissioners shall be entitled to grant temporary power of attorney to one or more of its members, with the stipulation that within a period of one month after the Company is without a Board of Directors, a General Meeting of Shareholders must be held to appoint a new Board of Directors.

8. A member of the Board of Commissioners may resign from his/her post by giving written notification of their intention to the Company at least 30 (thirty) calendar days before.

Accounting may still be requested in the following General Meeting of Shareholders from a member of the Board of Directors who resigns commencing from the time of their appointment until the date of resignation.

8. The term of office of a member of the Board of Commissioners shall be automatically terminated, if the said member of the Board of Directors:
 - a. is declared bankrupt or put under receivership, pursuant to a decision of court, or
 - b. is dismissed as arranged in paragraph 5 of article 12, or
 - c. is prohibited from being a member of the Board of Commissioners pursuant to the provisions of laws and regulations in force, or
 - d. resigns, providing written notification, or
 - e. passes away.

MEETINGS OF THE BOARD OF COMMISSIONERS

Article 13

1. The President Commissioner shall chair a Meeting of the Board of Commissioners and in the event the President Commissioner is not in attendance or available, proof of which does not need to be presented to a third party, one of the other members of the Board of Commissioners appointed by the Meeting of the Board of Commissioners shall chair the Meeting.

2. A Meeting of the Board of Commissioners may be held upon request of the President Commissioner or one or more of the other members of the Board of Commissioners or by a Meeting of the Board of Directors or by General Meeting of Shareholders representing at least 49% (forty nine percent) of the total shares issued by the Company, any time deemed necessary, providing that written summons of the Meeting is forwarded directly with proof of receipt or by telex or facsimile, at least 3 (three) calendar days before the Meeting is held, not counting the date of the summons and the date of the Meeting.

The summons must contain the agenda of the Meeting, the date, time and location of the Meeting.

If all the members of the Board of Commissioners are in attendance and/or represented, prior written summons is not required.

3. A Meeting of the Board of Commissioners must be held within the territory of the Republic of Indonesia at a time and place determined by those summoning the Meeting, and approved by the Board of Commissioners.
4. A Meeting of the Board of Commissioners shall only be legal and shall be able to adopt binding resolutions, if more than 50% (fifty percent) of the total members of the Board of Commissioners are in attendance and/or represented in the Meeting.
5. Resolutions of a Meeting of the Board of Commissioners must be adopted based on a vote of agreement of more than 50% (fifty percent) of the total members of the Board of Commissioners in office.
6. Each member of the Board of Commissioners is entitled to cast 1 (one) vote and 1 (one) additional vote as proxy for each member of the Board of Commissioners they represent.
7. Blank votes or legal votes shall be considered non-existent and shall not be counted in the total number of votes cast in a Meeting of the Board of Commissioners.
8. Minutes of the Meetings of the Board of Commissioners must be drawn up and signed by the Chairman of the Meeting and another member of the Board of Commissioners in attendance, appointed by the Meeting for that purpose. If the Minutes are drawn up before a Notary, signature is not required.
9. The Minutes of the Meeting of the Board of Commissioners drawn up and signed pursuant to the provisions of paragraph 8 of this article shall constitute legal proof to all the members of the Board of Commissioners and any third parties of all resolutions adopted in the said Meeting of the Board of Commissioners.
10. In Meetings of the Board of Commissioners, a member of the Board of Commissioners may only be represented by another member of the Board of Commissioners pursuant to a power of attorney.
11. The Board of Commissioners may also adopt legal resolutions without holding a Meeting of the Board of Commissioners providing all the members of the Board of Commissioners have been notified in writing regarding the proposals in question and more than 50% (fifty percent) of the total members of the Board of Commissioners in office, have approved the proposals in question by signing a written letter of approval.
Resolutions adopted in such a way by the Board of Commissioners shall be the same as resolutions adopted in a Meeting of the Board of Commissioners.

BALANCE SHEET AND PROFIT AND LOSS STATEMENT

Article 14

1. The fiscal year of the Company shall run from the first day of January to the thirty first day of December.
2. Upon closure of the financial records, a balance sheet and profit and loss statement shall be drawn up by the Board of Directors, which after being inspected and approved by the Board of Commissioners, along with other annual accountability reports, must be made available by the Board of Commissioners, along with their annual accountability reports, in the office of the Company no later than fourteen days before the start of the Annual General Meeting of Shareholders, to be inspected by all the shareholders.
3. Approval of the balance sheet and the profit and loss statement by the General Meeting of Shareholders shall constitute full release and waiver for the Board of Directors for their actions during the fiscal year in question as outlined in their annual reports and for the Board of Commissioners for their responsibility of supervision.

GENERAL MEETINGS OF SHAREHOLDERS

Article 15

1. There are 2 (two) types of General Meetings of Shareholders:
 - a. An Annual General Meeting of Shareholders, is the General Meeting of Shareholders described in Article 16 below.
 - b. An Extraordinary General Meeting of Shareholders, includes all other General Meetings of Shareholders outside of the Annual General Meeting of Shareholders.
2. A General Meeting of Shareholders in these Articles of Association shall refer to both types, that is, an Annual General Meeting of Shareholders and an Extraordinary General Meeting of Shareholders, unless specified otherwise.
3. All General Meetings of Shareholders must be held in the presence of a Notary.

ANNUAL GENERAL MEETINGS OF SHAREHOLDERS

Article 16

1. An Annual General Meeting of Shareholders must be held each year, no later than the end of the month of June each year.
2. In such an annual meeting, the Board of Directors shall present their report of the achievements which have been accomplished over the last fiscal year, particularly regarding their management.
3. In this general meeting, the balance sheet and profit and loss statement described in article 14 shall be submitted to the meeting for approval and distribution of dividends and total profits shall be determined.

EXTRAORDINARY GENERAL MEETINGS OF SHAREHOLDERS

Article 17

1. An Extraordinary General Meeting of Shareholders may be held any time if deemed necessary by the Board of Directors.
2. The Board of Directors is obliged to summon and hold an Extraordinary General Meeting of Shareholders upon written request from the Board of Commissioners or one or more shareholders representing at least 30% (thirty percent) of the total capital issued by the Company, in which request the topics of the agenda to be discussed.
3. If the Board of Directors neglects to hold the meeting within a period of one month after receipt of the letter of request, then the party requesting the meeting shall be entitled to summon the meeting, at the expense of the Company, and in compliance with these Articles of Association, in which Meeting the Chairman of the Meeting shall be chosen from by and from among those in attendance and all resolutions of the meeting shall be binding for the Company, providing they are not in contradiction to these Articles of Association, and those in attendance approve of the need for the proposals discussed.

LOCATION AND SUMMON OF THE MEETINGS

Article 18

1. A General Meeting of Shareholders shall be held in the domicile of the Company or in another location where a stock exchange is located in Indonesia, providing the location is within the territory of Indonesia.
2. A summons for a General Meeting of Shareholders shall be carried out by advertisement in 2 (two) or more Indonesian language daily newspapers circulated

in the vicinity of the domicile of the Company, as set forth by the Board of Directors.

Summons for a Extraordinary General Meeting of Shareholders must be done at least 14 (fourteen) days before the date of the Extraordinary General Meeting of Shareholders, while a summons for an Annual General Meeting of Shareholders must be made at least 21 (twenty one) days before the date of the Annual General Meeting of Shareholders, not counting the date of the summons and the date of the Meeting.

3. The summons must contain the day, date, hour and place of the Meeting and a brief summary of the topics to be discussed.
4. If all the shareholders are in attendance or represented, then prior summons, as described above, shall not be required and the Meeting may adopt resolutions regarding the proposals discussed, and the meeting may be held anywhere, providing it is within the territory of the Republic of Indonesia.
5. The quorum for a General Meeting of Shareholders shall be more than half the shares already issued, and if this quorum is not achieved, then a second meeting may be held at the earliest within seven days afterwards, according to the same prerequisites as the first meeting.

CHAIRMAN OF THE MEETINGS

Article 19

1. Unless otherwise specified in these Articles of Association, all meetings shall be chaired by a member of the Board of Directors, and if all the members of the Board of Directors are unable to attend, then by a Commissioner, and if there are no Commissioners in attendance, then by a person chosen by and from among those in attendance.
2. Those attending the meeting must present evidence of their right to attend, that is, according to the prerequisites set forth by the Board of Directors at the time of the Meeting, and in compliance with the regulations in force on the Stock Exchange in Indonesia.
3. From all that is discussed and decided in the meetings, minutes shall be drawn up under supervision of the Chairman, which shall be confirmed by his/her signature and if possible by another shareholder appointed from among those in attendance in the meeting, and the contents of the minutes shall constitute clear proof for all shareholders.
4. This signature shall not be required if the minutes are drawn up in a deed by a Notary.

VOTING AND RESOLUTIONS

Article 20

Unless otherwise specified in these Articles of Association, all resolutions shall be adopted by normal majority vote.

If the votes in agreement and the votes in disagreement are the same, then lots shall be drawn if in regard to other matters.

2. Each shareholder or their proxies shall be entitled to cast a vote in the meeting, that is, each share entitles the owner to issue one share.
3. A shareholder may only be represented by another shareholder or another person pursuant to a power of attorney.
Power of attorney documents must be drawn up and signed in a form set forth by the Board of Directors of the Company, without prejudice to the laws and regulations in force regarding legal proof, and which must be submitted to the Board of Directors at least 3 (three) working days before the date the General

Meeting of Shareholders is to be held.

The members of the Board of Directors and the members of the Board of Commissioners and generally any employees of the Company are not allowed to act as proxies in a General Meeting of Shareholders and in the casting of votes, and any votes cast by them as proxies shall not be considered legal.

4. The Chairman of the Meeting is entitled to request that the power of attorney documents be presented to him at the time of the Meeting.
5. Unless otherwise determined in the Meeting, the casting of votes regarding an individual shall be done by secret, closed ballot and regarding other matters verbally.
6. Blank votes or illegal votes shall not be considered to have been cast by the Company.

DISTRIBUTION OF DIVIDENDS

Article 21

1. The net profits determined by the General Meeting of Shareholders, as outlined in the balance sheet and profit and loss statement, shall be divided according to provisions established by the General Meeting of Shareholders after first making 20% (twenty percent) available for reserve funds as described in article 22.
2. If in the opinion of the Board of Directors in counsel with the Board of Commissioners, the total reserve funds are sufficient, then by proposal of a General Meeting of Shareholders, it may be determined that a part of the profits set aside for the reserve funds shall be distributed or used for some other purpose.
3. Dividends may only be paid out in accordance with the financial capability of the Company pursuant to a resolution adopted in a General Meeting of Shareholders, in which resolution it must be set forth the time and procedures for payment of dividends.
The dividends for a certain share must be paid to the person whose name is registered in the Shareholders Register on the work day to be determined by and on behalf of the General Meeting of Shareholders in which the resolution governing the distribution of dividends was adopted, also taking into consideration the regulations of the Stock Exchange where the shares are listed.
The day of payment must be announced by the Board of Directors to the shareholders.
4. The Board of Directors, pursuant to a resolution of a Meeting of the Board of Directors, shall be entitled to distribute temporary dividends if the financial state of the Company permits, based on a resolution of a Meeting of the Board of Directors with approval of a Meeting of the Board of Commissioners, with the stipulation that the temporary dividends to be distributed shall be calculated toward the dividends which shall be distributed based on a resolution of the following Annual General Meeting of Shareholders, adopted in accordance with the provisions of these Articles of Association.
5. If the profit and loss statement for a given fiscal year shows a loss which can not be covered by reserve funds, that loss shall continue to be recorded and entered into the calculations of profit and loss and in the coming years, the Company shall be considered to not have obtained profit as long as the loss which is recorded and entered into the profit and loss calculations has not been completely covered.
6. Dividends which are not taken within a period of five years after being made available for payment, shall return to the Company.

RESERVE FUNDS

Article 22

1. Reserve funds shall be used to cover losses suffered, however, a General Meeting of Shareholders may determine that a portion or the whole of the reserve funds be used for working capital requirements or for other purposes.
2. The Board of Directors shall manage and deposit and shall derive interest on the reserve funds in a manner deemed good to the Directors and with approval of the Board of Commissioners.
3. Any profits earned from the reserve funds shall be entered into the calculations of profit and loss.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND LIQUIDATION

Article 23

Amendments to the provisions of the Articles of Association, including changes in the name, domicile and purpose and objectives of the Company, or the liquidation of the Company before the time set forth, or extension of the said time, and any increase or decrease in the authorized capital (proposals regarding decreases in the authorized capital must be announced by the Board of Directors in the State Gazette and in a daily newspaper circulated in the vicinity of the domicile of the Company in the interest of creditors), may only occur by virtue of a resolution of an Extraordinary General Meeting of Shareholders held specifically for that purpose, and such a meeting must be represented by at least 2/3 (two thirds) of the total shares issued and approved by at least 2/3 (two thirds) of the total votes legally cast.

2. If in such a meeting as described in paragraph 1 of this article, the total capital represented is not sufficient and for this reason the meeting can not be continued, then at the earliest within one week and at the latest within one month after the meeting, a second meeting may be held according to the same requirements as the first meeting, and the meeting shall be able to adopt resolutions regarding the proposals submitted in the first meeting, providing that the proposals are approved by at least 2/3 (two thirds) of the total votes legally cast.
3. All without prejudice of any permits required by the competent authorities, if any.

LIQUIDATION PROCEDURES

Article 24

1. If the Company is to be liquidated, then liquidation procedures must be carried out by the Board of Directors under the supervision of the Board of Commissioners, unless otherwise specified by a General Meeting of Shareholders.
2. Such a Meeting shall decide the wages to be paid to the liquidators.
3. The decision regarding liquidation must be registered with the office of the District Court where the Company is domiciled and also announced in the State Gazette and in a daily newspaper circulated in the vicinity of the domicile of the Company, accompanied by a summons of all creditors.
4. The Articles of Association as contained in this deed or any possible amendments thereto, shall continue to be valid up until the day of approval of the liquidation calculations by the General Meeting of Shareholders, when full release and waiver shall be granted to the liquidators.

Article 25

All matters that are not provided for or not adequately covered in these Articles of Association, shall be decided by a General Meeting of Shareholders convened in accordance with the provisions of these Articles of Association.

1. Share Application

Application shall be made in accordance with the conditions set forth in the Share Application Form. Share Application forms may be obtained from the Underwriters or Seeling Agents, namely Stock Traders and Brokers listed as members of the Stock Exchanges in Indonesia as mentioned at the end of this Prospectus, or by using 5 (five) photocopy of the Share Application Forms as advertized in the newspaper. Application made in adverse of these conditions shall not be accepted.

2. Eligible Applicants

Any individual and/or Institutions/Business Entity as regulated in the Decree of the Minister of Finance of the Republic of Indonesia No. 1055/KMK.01/1989 dated September 16, 1989.

3. Minimum Application

Applications shall be for a minimum of 100 shares and in multiples of 100 shares.

4. Submission of Applications

Before the close of the Offering Period, applications shall submit their application forms during normal business hours to the Underwriters or Selling Agents from whom the Share Application Forms are obtained.

5. Offering Period

The Offering Period commences on May 20, 1991 and closes at 12:00 WIB on May 29, 1991. The Offering Period may be closed at any time if the number of application forms have exceeded the number of shares offer with a provision that the offering period shall not be less than 3 (three) business days.

6. Last date of allotment

The last date by which the Underwriters or Selling Agents should notify the applicants on the number of allotted shares is on May 13, 1991.

7. Special Applications

Special application by Company employess, the Employees Cooperative and the Company Pension Fund may be submitted directly to the Company

8. Terms of Payment

Payment may be made in cash, cheques or bank drafts in Indonesian Rupiah to the Underwriter or Selling Agent at the time of submission of the application forms. All bank and transfer charges shall be borne by the applicants. All cheques and bank drafts will be cashed immediately upon receipt, and in the event that check are dishonored, the respective application will be cancelled. For special applications, payments shall be made directly to the Company.

9. Receipt of Payment

The Underwriters or Selling Agents to whom the applications are submitted shall return to the applicants a signed copy of the form as evidence of receipt of the application. Such receipt does not constitute a guarantee that the application will be fulfilled. With regard to special application, the share application receipt shall be issued by the Company.

10. Allotment

If the total number of shares applied exceeds the number of shares applied, allotment will be determined by the Company and the Lead Manager Underwriter in such a manner that will ensure participation in the ownership of the shares. Applications in small number will be given the priority. Allotted application shall be granted at least 100 shares. In the case that total applications exceed the total number of shares offered, allotment shall be on a first come first serve basis or by drawing lots. Share applications by employees shall be allotted with the provision that such allotments do not exceed 10% of the total shares offer.

11. Cancellation of Public Offer

Prior to and during the Offering Period, the Company and the Lead Manager will have the right to cancel the Public Offer based on the relevant provision contained in the Underwriting Agreement.

12. Refunds

If share applications are rejected in full or in part, or in the event of a cancellation of this Public Offer, payment of refund in Rupiah currency will be effected by the Underwriter or Selling Agent concerned. Refund shall be paid no later than 4 (four) working days after the Last Date of Allotment or after the announcement of cancellation. The Underwriters or Selling Agents should give compensation in case of delay in refund due to negligence. Refund can only be paid out upon presentation of the Share Application Receipt. The applicant shall not charged any bank or transfer charges for the refund. In the case of Special Applications, refund shall be arranged and effected directly by the Company.

13. Delivery of Share Certificate

No later than 12 (twelve) working days after the Last Date of Allotment or no later than 1 (one) working days prior to listing in the stock exchange, the Share Certificates should be available for collection. The delivery of these certificates shall be made by the Underwriters and Selling Agents to whom the application forms were submitted. The share or collective share certificates can only be given upon surrender or presentation of the receipt of Share Application Forms. Delivery of share or collective certificates to special applicants will be made directly by the Company.

14. Others

The Managing Underwriter and the Company have the rights to accept or reject in whole or in part any applications submitted. Applicants submitted more than one Share Application Forms shall be treated as one applicant for allotment purposes

The Prospectus and Share Application Forms are available in the office the Underwriters and Selling Agents listed below. Application shall be made using the Share Application Forms available or by using a photocopy of the original Share Application Forms or as advertised in the newspaper in 5 copies. The following are the list of Selling Agents registered in the Indonesian Stock Exchange.

LEAD UNDERWRITERS

P.T. First Indonesian Finance and Investment Corporation (FICORINVEST)
Gedung Ficorinvest
Jl. H.R. Rasuna Said Kav. C-18, Kuningan, Jakarta Selatan
Tel: 8298966

P.T. Sun Hung Kai Securities Indonesia
Bank Pacific Building Lt. 12
Jl. Jend. Sudirman Kav. 7 - 8, Jakarta
Tel : 5707182

P.T. Niki Asiasecurindo
Sampoerna Plaza Lt. 11, Suite 1101
Jl. H.R. Rasuna Said Kav. B-7 / No. 6, Jakarta 12940
Tel : 850-6768

PARTICIPATING UNDERWRITERS

CEF Andromeda Securities
Wisma Antara, Lt 1
Jl. Medan Merdeka Selatan No. 17, Jakarta 10110
Tel : 376221, 357923, 357924, 357915, 3802819

P.T. Merchant Investment Corporation (MERINCORP)
Summitmas Tower Lt. 21
Jl. Jend. Sudirman Kav. 61-62, Jakarta
Tel : 5200808

P.T. Multinational Finance Corporation (MULTICOR)
Wisma BCA, Lt 12
Jl. Jend. Sudirman Kav. 22-23, Jakarta
Tel : 5781450

P.T. Sinar Mas Eka Graha
Gedung Oriental, Lt 1
Jl. M.H. Thamrin No. 51, Jakarta
Tel : 3105116, 3104646 ps. 2104-2105

SELLING AGENTS

STATE BANKS

BANK BUMI DAYA

Jl Imam Bonjol No.61,
Jakarta Tel: 333721

BANK NEGARA INDONESIA

Jl Jend Sudirman kav 1,
Jakarta Tel: 570-1001/2

BANK EKSPOR IMPOR INDONESIA

Jl Lapangan Stasiun No.1,
Jakarta Tel: 673 122

BANK DAGANG NEGARA

Menara BDN
Jl Kebon Sirih No.83,
Jakarta Tel: 380-0800

PRIVATE BANKS

PT BANK BALI

Jl. Hayam Wuruk No.84-86
Jakarta Tel: 649-8006

PT BANK BUANA INDONESIA

Jl. Asemka No.33-35,
Jakarta Tel: 672901, 672045

PT BANK BUMI ARTHA INDONESIA

Jl. Roa Malaka Selatan No. 12 - 14,
Jakarta Barat Tel: 690-2281

PT BANK CENTRAL ASIA

Jl. Asemka No.24-26,
Jakarta Tel: 671482, 679-1771

**PT BANK DAGANG NASIONAL
INDONESIA**

Wisma Hayam Wuruk
Jl. Hayam Wuruk No.8,
Jakarta Tel: 351221, 374986, 374197

PT BANK JASA JAKARTA

Jl. Tiang Bendera No. 26-28-30,
Jakarta Tel: 690-2611

PT LIPPO BANK

Lippo Centre Building
Jl. Jend. Gatot Subroto No.33-35,
Jakarta Tel: 516767 ext 3171 & 3200

PT BANK NIAGA

Jl. M. H. Thamrin No.55,
Jakarta Tel: 373651 - 4

PT OVERSEAS EXPRESS BANK

Jl. Pecenongan no.84,
Jakarta Tel: 358824, 358103

PT BANK PACIFIC

Jl. Jend. Sudirman Kav. 7-8,
Jakarta Tel: 380-2695

PT BANK PERKEMBANGAN ASIA

Jl Hayam Wuruk No.102,
Jakarta 11160 Tel: 649-4916, 649-1788

PT PAN INDONESIA BANK

Gedung Panin,Lt.dasar
Jl Jend Sudirman,
Jakarta Tel: 739-4545

PT BANK SUMMA

Jl Pintu Besar Selatan No.75,
Jakarta Tel: 675081

PT SOUTH EAST ASIA BANK

Jl Asemka No.16-17,
Jakarta Tel: 672197

PT BANK SURYA INDONESIA

Kuningan Plaza North Tower,Lt.dasar
Jl H R Rasuna Said kav C 11-14,
Jakarta Tel: 520-1445

PT TAMARA COMMERCIAL BANK

Jl Asemka 31,
Jakarta Tel: 678091

PT BANK TIARA ASIA

Jl Batu Ceper No.36,
Jakarta Pusat Tel: 381-0686/9

PT BANK UMUM NASIONAL

Jl. Prapatan No. 50,
Jakarta Tel: 380-6366, 380-6367

PT BANK UMUM SERVITIA

Jl Kopi No.40-50,
Jakarta Tel: 690-1919

**PT BANK YAKIN MAKMUR
(YAMA BANK)**

Jl Gereja Ayam No. 11,
Jakarta Tel: 366 733

OTHER TRADERS/BROKERS

PT ADHIKA DHARMAWIGUNA
Wisma Bakrie
Jl H R Rasuna Said kav B-1,
Jakarta 12920
Tel: (direct) 520-0613, 520-4324
510192, 510212 ext. 455-456

PT ADIDHANA PERDANA
Gedung Bursa, Lt.2
Jl Medan Merdeka Selatan No. 14,
Jakarta Pusat Tel: 362503, 362349

PT ADISURYA MAHKOTA SEKURITA
Jl P Jayakarta Blok B No.12,
Jakarta
Tel: 659-8557, 659-8558, 600-3525

PT AGUNG CAHYA CENDANA
Jl P Jayakarta No. 2,
Jakarta 11110
Tel: 659-8355, 659-8356, 659-8358

PT AGRIDHANASATYA PERMATA
Jl Kalibesar Barat No. 50 GG,
Jakarta 11230 Tel: 6905129

PT AGRIDINAMIKA GRIYA PERMATA
Kartika Plaza Hotel
Jl M H Thamrin No.10,
Jakarta
Tel: 320680, 321108 ext 302, 303, 304

PT. ALTANA INVESTAMA
Sabang Metropolitan Hotel, Lt 15
Jl. H. Agus Salim no.11
Jakarta 10110 Telp: 372250, 376066

PT ANTABOGA DELTASEKURITAS INDONESIA
Grand Wijaya Centre No.36 H
Jl. Wijaya II Kebayoran Baru
Jakarta Selatan Tel: 720-6786, 720-6754

PT ALVITAMAS SECURITIES
Panin Bank Centre, Lt 1
Jl. Jend. Sudirman No. 1
Jakarta 10720 Tel: 713417, 713430

PT ALDIRACITA CORPOTAMA
Jl. Gunung Sahari Ancol 12 B, Lt 3
Jakarta Tel: 682626, 682929

PT ALFINDO TERAS SECURITIES
Jl. K.H. Moh. Mansyur No. 38-40
Jakarta Barat Tel: 600-7446

PT AMCOL SECURINDO
Harmoni Plaza Blok B/42
Jl Suryopranoto No 2, Jakarta 10260
Tel: 363988, 380-6884, 380-6885,
380-6940

PT AMSINDO NUSANTARA
Hero Building Lt.4
Jl Jend Gatot Subroto 177 kav 64,
Jakarta Tel: 829-8750

PT ANTAR DHANAMASA
Majapahit Permai Blok A/108
Jl Majapahit,
Jakarta 10160 Tel: 345578, 345594

PT ANEKA KELOLA DANA
Mid Plaza Lt 8
Jl Jend Sudirman kav 10-11,
Jakarta Tel: 578-0797

PT ANUGERAH SECURINDO INDAH
Sabang Metropolitan Hotel, Lt. dasar
Jl. H. Agus Salim No. 11, Jakarta 10110
Tel: 376237,354031 ext 355, 134

PT APERDI
Gedung Bursa, Lt. 3 - Km. 304,308, 309
Jl Medan Merdeka Selatan No.14,
Jakarta 10110
Tel: 353054, 378042

PT ARYA SHINTA FINANCE
Jl Benda Langgar No. 68
Kemang, Jakarta Tel: 781696, 783359

PT ASPRINA PRIMA SENTOSA
Jl Cempaka Putih Barat III/16D,
Jakarta Tel: 420-0551

PT ASIA KAPITALINDO
Jl. Tanah Abang II No. 26
Jakarta Pusat 10160 Tel: 380-5108

PT ASIAN DEVELOPMENT SECURITIES
Gedung Bank BNI, Lt 27
Jl. Jend. Sudirman Kav.1
Jakarta 10001 Tel: 570-5125

PT ASJAYA INDOSURYA SECURITIES
Jl. Tanah Abang III No. 22
Jakarta Pusat Tel: 380-5610, 358557

PT BAHAMAS SECURINDO
Menara BDN, Lt. 10
Jl. Kebon Sirih 83, Jakarta 10340
Tel : 3800353, 3800354, 328147/125

PT BAHAMINDOGUNA Gedung Galva Lt 4 Jl. Hayam Wuruk No. 27, Jakarta Tel: 367630	Jakarta Tel: 649-1455, 629-2280
PT BALI CAPITALINDO SEKURITAS Jl. Gunung Sahari Raya No. 60-63 Blok B/8-9, Lantai 4 Jakarta Telp: 420-5558/59, 420-5560/61	PT CAKRA TATABURSA Gajah Mada Tower, Lt. 4/001 Jl Gajah Mada No. 19-26, Jakarta Tel: 380-4018, 340782
PT BARING SECURITIES INDONESIA Jl. M.H. Thamrin Kav. 9, Lt 11 Jakarta 10350 Tel: 420-7146/48	PT CARR DHARMALA SECURITIES INDONESIA Wisma Dharmala Sakti, Lt 19 Jl. Jend. Sudirman 32, Jakarta 10220 Tel: 570-3193/96 ext. 121/221/224
PT. BENURA UTAMA SECURITIES COMPANY Menara BDN, Lt 10 Jl. Kebon Sirih 83 Jakarta Tel: 310-1244	PT CIPTADANA SEJATIRAYA Pintjoe Building, Lt 6 Jl. Gajah Mada No. 162 C, Jakarta 11130 Tel: 600-7391, 600-7394, 600-7396/97
PT. BERLIAN PERKASATAMA Jl. Matraman Raya no. 29 Jakarta Timur Tel: 850-6581, 850-6585	PT CITRAMAS SECURINDO Wisma Metropolitan I,Lt.11 Jl Jend Sudirman kav 29, Jakarta Tel: 510609, 520-7123
PT BERSEPINDO UTAMA Gedung Tifa, Lt. 1 Jl Kuningan Barat 26, Jakarta 12710 Tel: 511373	PT CITRA INVESTAMA ABADI Jl. Tawes No. 5, Rawamangun, Jakarta Timur Tel: 489-6840, 489-6763
PT BETAMAS INTIMULIA Jl Let.Jen. S. Parman 32-34, Jakarta 11480 Tel: 548-2308	PT DANADUTA INDONESIA Jl.Otto Iskandardinata No. 39, Jakarta Tel: 819-3425
PT BINAARTHA PARAMA Setiabudi Building I, Lt. 4 Jl H.R. Rasuna Said, Jakarta 12920 Tel: 520-7538	PT DANATAMA MAKMUR Gedung Danareksa lt 2 Jl.Medan Merdeka Selatan No 13, Jakarta Tel: 380-1928, 380-1929
PT BHAKTI INVESTAMA Greenville Office Complex Blok AW no 47 Jakarta 11510 Tel: 592599, 560-5652, 560-5675	PT DANAPRAWIRA SARI Jl. Mardani Raya No. 6A, Jakarta Pusat Tel: 417110
BT PACIFIC (PT BINA TATALAKSANA PACIFIC) Landmark Center, Lt. 23 Jl Jend. Sudirman 1, Jakarta 12910 Tel: 5780514, 5780029, 5780035	PT DANINDO MASYARAKAT ANINDITA Jl.Majapahit 18-22, kav B 26, Jakarta Tel: 371121, 371251
BT PRIMA SECURITIES Landmark Centre, Lt 20 Jl. Jend. Sudirman No.1 Jakarta 12910 Tel: 5780029,5780035,5780390, 5780360	PT DANAVEST INTERNATIONAL Jl Raya Gunung Sahari No. 2K, Jakarta Tel: 649-0017, 649-0018
PT BUANAMAS INVESINDO Sampoerna Plaza, Lt 6 - suite 602 Jl. H.R. Rasuna Said Kav. X-7 No. 6 Jakarta 12940 Tel: 850-4584, 850-4586/87	PT DANAMETRO SEKURITAS Wijaya Grand Centre, Blok G 35-36 Jl. Wijaya II, Kebayoran Baru Jakarta Tel: 720-2861, 720-2864, 720-6611
PT BURAKSA PERKASA Jl. Pangeran Jayakarta No. 45 B1 D/18,	PT DAYAMULIA SECURINDO Komp. Duta Anggada Jl K.H. Zainul Arifin 7M, Jakarta 10130 Tel: 380-9282, 381-1034

PT DELTADHANA PURITAMA
Sucaco Building, Lt 5
Jl. Kebon Sirih 71
Tel: 310-6489 Jakarta 10340

PT DELAVEST PERDHANA
Gedung Tifa, Lt 15
Jl. Kuningan Barat No. 26
Jakarta
Tel: 520-0206, 520-5927, 520-5930

PT DEEMTE ARTADHARMA
Wisma Dharmala Sakti, Lt 19
Jl. Jend. Sudirman No. 32
Jakarta Tel : 543702

PT DHANAMAS BUANA WIRASTA
Gedung Bursa, Lt 3
Jl. Medan Merdeka Selatan No. 14
Jakarta Tel : 365509 ext. 181

PT DHANATUNGGAL UTAMA
Gedung Bursa Lt. 3
Jl. Medan Merdeka Selatan no 14,
Jakarta Tel: 360408

**PT DHANAWIBAWA ARTHA
CEMERLANG**
Gedung Delta, Lt 1
Jl. Suryopranoto No. 1-9 Blok A No. 27
Jakarta 10106 Tel: 380-3058

PT DWIDANA SAKTI SECURITIES
Wisma Argo Manunggal, Lt 12
Jl. Jend Gatot Subroto Kav. 22
Jakarta Tel: 514115, 514119

PT EFERINDO AGUNG
Gedung Bank Niaga Lt.7
Jl. M.H.Thamrin No.55,
Jakarta Tel: 330507, 332007 ext. 509

PT FINAN CORPINDO NUSA
Wisma Antara Lt.15
Jl Medan Merdeka Selatan No.17,
Jakarta
Tel: 343886, 343989

PT GABIO SECURITIES
Wisma Kosgoro Lt. 7
Jl. M.H. Thamrin 53,
Jakarta 10350
Tel: 323216, 321808 ext 278, 279

PT GEMA SEKURINDO
Menara BDN, Lt 9
Jl. Kebon Sirih No. 83
Jakarta 10340
Tel: 380-2258, 380-2438, 380-2439

PT GUNUNG SEWU SECURITY
Chase Plaza Tower, Lt.22
Jl. Jend. Sudirman Kav. 21
Jakarta 12920 Tel: 570-6388

PT HARUM DANA SEKURITAS
Jl. Pedati No.14, Jatinegara,
Jakarta Timur Tel: 819-4256

PT INDOTRIM SEPAKAT
Wisma Benhil Lt. 7 B1/B 2
Jl. Jend. Sudirman Kav. 36,
Jakarta Pusat Tel: 578342

PT INDOVERSE SECURITIES
Jl. Pluit Timur Blok L Timur No. 19-20
Jakarta Tel: 6020211

PT INDOVER SEKURITAS COMPANY
Gedung Bina Mulia II, Lt 7
Jl. H.R. Rasuna Said Kav. 11
Jakarta 12950 Tel: 520-1940, 520-1945

PT INDOCITRA SEKURITIES
Wisma Metropolitan II, Lt 13
Jl. Jend. Sudirman Kav. 29-31
Jakarta 12910 Tel: 5703746

PT INTIFIKASA SECURINDO
Jl Raya Mangga Besar No.146,
Jakarta Pusat Tel: 639-0393, 629-9081

PT INTAN ARTHA EXCHANGE CO.
Gedung Bursa Lt.3
Jl Medan Merdeka Selatan No. 14,
Jakarta Tel: 349-9002/ 347958

PT INTISEKURITI INVESTAMA
Komplek Duta Merlin Blok D 8-9-10
Jl Gajah Mada No.3-5,
Jakarta 10130
Tel: 350025, 350279, 350184, 376219,
376209, 364198, 364196, 364214,
364202-06

PT INTERINDO DANAPRAYA
Jl Kebon Jeruk VII No.26,
Jakarta Tel: 639-8738, 649-0861

PT JACORINVEST CENTRAL GANI
Komplek Duta Merlin A17-18
Jl. Gajah Mada No. 3-5
Jakarta
Tel: 375638, 374496, 359853/55, 350454

PT JASEREH UTAMA
Gedung Wisma Bank Industri
Jl.M.H.Thamrin
Jakarta Tel: 3107919-20

PT JARDINE FLEMING NUSANTARA Wisma Dharmala Sakti Lt.4 Jl. Jend Sudirman kav 32, Jakarta 10220 Tel: 570-1917, 588531	PT MAYAPADA SEKURITIES Chase Plaza (Tower), Lt. 3 Jl. Jend. Sudirman Kav. 21 Jakarta 12920 Tel:
PT KARTIKA INVESTINDO Jl. Samanhudi 12 Jakarta Tel: 380-3340, 380-3342	PT MASHIL JAYA SECURITIES Jl. Hayam Wuruk No. 45, Jakarta 11160 Tel: 639-6099
PT KOLIBINDO PERKASA Gedung Enseval Jl Letjen Suprapto, Jakarta Tel: 413908	PT MITRA DUTASEKURITAS Jl Kebon Sirih No.12, Jakarta Tel: 380-0900/901
PT KAPITA SEKURINDO Menara BDN Lt. 12 Jl Kebon Sirih 83, Jakarta 10340 Tel: 380-0800	PT MITRA TATADHANA Gedung Bursa, lt. 3 Jl Medan Merdeka Selatan no. 14, Jakarta Tel: 362481
PT KHARISMA MULATAMA Gedung Bursa Lt. 3 Jl. Medan Merdeka Selatan 14, Jakarta Pusat Tel: 360408 ext. 3273	PT MUARA LENTERA MITRA Jl Lautze No.22 K, Jakarta Tel: 370910, 367821
PT KHARISMA CEMERLANG DHANAMITRA Jl. Raya Kelapa Puan Blok FY 3, No.5 Jakarta 14240 Tel: 451-2108	PT MULTIPENGELOLA DANAPRIMA Kwitang Building Lt 3, Room 301 Jl. Kwitang Raya No.11, Jakarta Tel: 360437, 374394
PT LIPPIN SECURITIES Lippo Centre Jl Jend Gatot Subroto kav 35-36, Jakarta Tel: 513886, 516767 ext 3200, 3174, 3173	PT MULTI DANAMEKAR (MDM SECURITIES) Jl. Tanah Abang II No. 43 Jakarta Tel: 374648, 374662, 374737, 374750
PT LUMBUNG PERSADA KHATULISTIWA Gedung Bursa Lt.3 Jl Medan Merdeka Selatan No.14, Jakarta Tel: 365509 ext 269	PT MURNI SEGARA LESTARI Gedung Bursa Lt.3 Jl Medan Merdeka Selatan No. 14, Jakarta Tel: 377149, 365509 ext 174
PT MAKEFIN Komplek Duta Merlin Blok E-24 Jl. Gajah Mada No. 3-5 Jakarta 10130 Tel: 380-5967, 380-5968 380-5969	PT MEDALI TALENTA Jl D.I. Panjaitan No 24, Jakarta Tel: 819-5930
PT MALISA ANUGRAH Komplek Duta Merlin Blok A 30 Jl. Gajah Mada 3-5 - Jakarta Tel: 374707	PT MENTARI SECURINDO Hayam Wuruk Tower Lt 18 Jl. Hayam Wuruk No.108 Jakarta Pusat Tel: 659-8830, 659-8833
PT MAKINDO Gedung Bursa Lt.3 Jl Medan Merdeka Selatan No 14, Jakarta Tel: 359707, 359927	PT MEREDIAN LIMA SECURINDO Gedung Jakarta Theater, Lt 2 Jl. M.H. Thamrin No. 9 Jakarta Pusat Tel: 358714, 358715
PT MARYLOONE PELANGI Hayam Wuruk Plaza Lt. 17 Jl Hayam Wuruk 108, Jakarta Pusat Tel: 649-8226	PT NAMALATU RONESIA Jl. Gajah Mada No. 30 Jakarta Barat Tel: 639-7396, 639-8019
	PT NATURA PACIFIC Kebayoran Centre blok B-8 Jl Kebayoran Baru, Jakarta 12240 Tel: 715070

PT NIKI ASIASECURINDO
Sampoerna Plaza, Lt 11
Suite 1101
Jl. HR. Rasuna Said Kav.X-7/No.6
Jakarta 12940 Tel: 850-6768

PT NIKKO SECURITIES INDONESIA
Landmark Centre, Lt 26
Suite 2601
Jl. Jend. Sudirman no.1
Jakarta 12910 Tel: 570-2474, 570-2473

PT NOMURA INDONESIA
Bank Perdana Building, Lt 7
Jl. Jend. Sudirman Kav. 40-41
Jakarta 10210 Tel: 570-1930, 570-1940

PT NUSAMAS SECURINDO
Jl. Suwiryo No.1
Jakarta Pusat 10350
Tel: 326575, 327896 324678

PT ORIENTAMA INTI SECURINDO
Wisma Antara Lt.14 Suite 1404 B,
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Central Plaza Lt.10
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Pasar Minggu,
Jakarta Tel: 798-1369, 798-1370

PT PRIMA TANGGUHARTA
Jl. H.M. Mansyur No. 59
Jakarta Pusat Tel: 336652, 336672

PT PRATAMA PENAGANARTHA
Jl Kemang Raya No 98,
Jakarta Tel: 799-9844, 798-0151, 798-0152

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520-7752 pes.3402

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Jl. Jend. Sudirman Kav 32,
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Jl Merdeka Selatan No.17,
Jakarta Tel: 343734, 344885

PT REDIALINDO MANDIRI
Arthaloka Building Lt.15
Jl Jend Sudirman kav 2,
Jakarta Pusat
Tel: 587236, 570-4524 ext 15-16-23

PT RAMAYANA ARTHA PERKASA
Kompleks Ketapang Indah Blok B 3/19
Jl.K.H. Zainul Arifin,
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PT RITA WIJAJA KENCANA
Jl.K.H. Wahid Hasyim No 84-85,
Jakarta
Tel: 330186

PT REKAPRIMA
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Jl H R Rasuna Said, Kuningan,
Jakarta Selatan Tel:

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Jl Sawahlio II/ 22-24 Lt.3
Jakarta Barat Tel: 659-6150, 649-6652

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PT SARANADANA INVESINDO
Jl. Karang Anyar Raya No. 53/54 A1.
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PT SARANA EFEKINDO
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PT SEKURITAS INDO PACIFIC
INVESTAMA
Jl. Kaji 2B No.8
Jakarta Pusat Tel: 380-0026

PT SEMESTA INDOVEST
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PT SUCORINVEST CENTRAL GANI
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PT SURYA SECURITIES
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PT SWADANA CIPTA EFEKINDO
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INDONESIA
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Jl. Jend. Sudirman 7 - 8
Jakarta Tel : 570-7182

PT. TAHARA / PT. COLUMBIA
Wisma Rajawali Lt. 15
Jl. Jend. Sudirman No. 34
Jakarta Pusat Tel ; 5703135, 583160

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PT TRANSPACIFIC SECURINDO
Jl. Batujajar No. 10 - 10A
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PT TRIESNA SENTRA EFEK
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BANKS IN SURABAYA

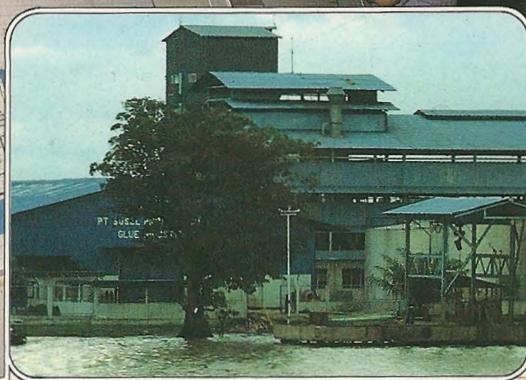
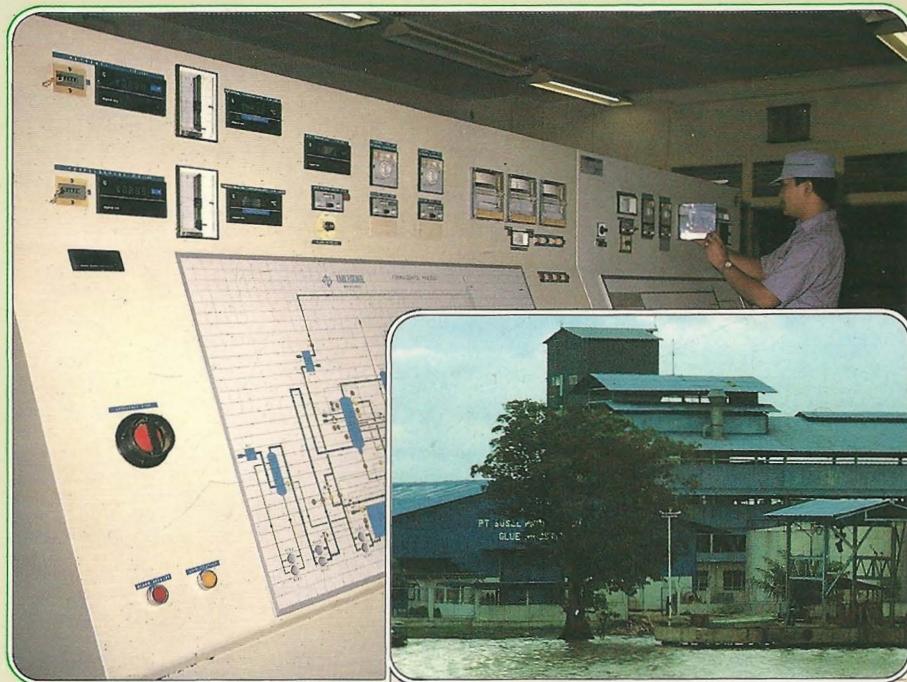
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Surabaya Tel: 210611, 26061, 26062
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In respect of this public offering P.T. Kurnia Kapuas Utama Glue Industries has submitted a Registration Statement to the Capital Market Supervisory Agency (BAPEPAM) dated 12 April 1991 in accordance with the Decree of the Minister of Finance of the Republic of Indonesia No. 859/KMK.01/1987 dated December 23, 1987 in conjunction with the Decree of the Minister of Finance of the Republic of Indonesia No. 1548/KMK.013/1990 dated December 4, 1990.

P.T. Kurnia Kapuas Utama Glue Industries assumes full responsibility of the accuracy of all information and the honesty of the opinions expressed in this prospectus.

The supporting parties in this Public Offering shall be fully liable for any and all data quoted in this prospectus in accordance with their areas of responsibility based on their respective code of ethics and professional norms.

This Prospectus is adapted from the prospectus published in Bahasa Indonesia which shall be the governing document in the event of any dispute regarding the information contained herein.

No single person nor entity is permitted/authorized to give any information/clarification/statement on matters which are not stipulated in this prospectus without the prior written consent of P.T. Kurnia Kapuas Utama Glue Industries and P.T. First Indonesian Finance and Investment Corporation (FICORINVEST)

There is affiliation or association between the Underwriters with P.T. Kurnia Kapuas Utama Glue Industries.

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