

IN THE GRAND COURT OF THE CAYMAN ISLANDS

429
CAUSE NO. OF 2004

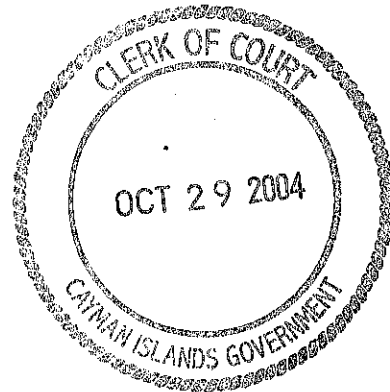
IN THE MATTER OF THE COMPANIES LAW (2004 REVISION)

AND

IN THE MATTER OF SMM FINANCE CAYMAN LIMITED



PETITION



To the Grand Court of the Cayman Islands

The Humble Petition of SMM FINANCE CAYMAN LIMITED showeth as follows:

1. The object of this Petition is to seek the sanction of the Court for a Scheme of Arrangement between the above named SMM Finance Cayman Limited (the "Company") and its Note Investors ("the Scheme"), pursuant to section 86 of the Companies Law (2004 Revision) (the "Law"). Save where otherwise defined, capitalised terms in this Petition shall have the meanings attributed to them in the Schedule annexed to this Petition.
2. The Company was incorporated in the Cayman Islands on 2 December 1996 as an exempted company limited by shares under the Companies Law (1996 Revision).
3. The registered office of the Company is at Offshore Incorporations (Cayman) Limited, Po Box 2084GT, Georgetown, Grand Cayman, Cayman Islands, British West Indies. The authorised share capital of the Company US\$50,000.00 divided into 50,000 ordinary shares of US\$1.00 each. The amount of the capital paid up

or credited as paid up is US\$1.00. The objects for which the Company was established as set out in its memorandum of association are unrestricted.

4. The Company is a special purpose company set up for the sole purpose of undertaking the issuance (the "Offering") of the US\$190,000,000 Guaranteed Secured Floating Notes due 2000 (the "Notes") issued pursuant to the terms of an Indenture dated 7 March 1997 and entered into among the Company as issuer, P.T. Supra Veritas, P.T. Sinar Mas Tunggal and P.T. Excomm Remaja Ltd (as "Guarantors") and DB Trustees (Hong Kong) Limited (as successor to BT Trustees (Hong Kong) Limited) (as "Trustee").
5. The Offering was intended to facilitate the subscription by Pacific Investment Nominee Limited, Asia Pacific Nominee Limited, First International Nominee Limited and Euro Asia Management Nominee Limited ("the Cayman Island Companies") of shares in PT Sinar Mas Multiartha Tbk ("Multiartha") pursuant to a limited public offering made by Multiartha to its existing shareholders, in or around November 1996, of a pre-emptive right to purchase newly issued ordinary shares (with warrants attached) of Multiartha at the offer price of Rp750 per share (the "Right Issue"). The total net proceeds from the sale of the Notes after deduction of underwriting commissions, fees and other expenses related to the Offering were loaned to the Cayman Islands Companies, pursuant to various intercompany loans (the "Intercompany Loans"), to repay certain indebtedness incurred by the Cayman Islands Companies (including indebtedness incurred by the Cayman Island Companies in connection with a U.S.\$150,000,000 short term bridging loan). The proceeds of the short term bridging loan had been used to enable the Cayman Islands Companies to acquire approximately 496,831,800 ordinary shares issued by Multiartha, warrants to acquire an aggregate of 74,524,770 ordinary shares of Multiartha, in each case pursuant to the Right Issue, and to release certain Shares of Multiartha from a pledge securing the short term bridging loan.
6. The Company's obligations under the Notes are secured by collateral consisting of (i) voting shares of Multiartha (the "Shares") pledged by the Guarantors and

the Cayman Islands Companies ("the Pledgors") (including all of the voting shares of Multiartha acquired using the proceeds of the Offering) (the "Share Pledge"); (ii) an assignment of all dividends, distributions and other rights arising from the Shares pledged pursuant to the Share Pledge and (iii) an assignment of all rights of the Company, the Guarantors and the other Pledgors in respect of an account required to be constituted pursuant to the Indenture into which, among others, amounts for the purposes of meeting the Minimum Pledge Requirement and representing interest payments due on the relevant interest payment dates were deposited from time to time (the "Interest Account") and (iv) a collateral account required to be constituted pursuant to the Collateral Agency Agreement (as defined in the Scheme) for the purpose of depositing all amounts received by or on behalf of the Trustee in respect of the security constituted under the Security Documents (as defined in the Scheme) after a default under the Notes has occurred and is continuing ((i), (ii), (iii) and (iv) hereinafter collectively, the "**Secured Assets**").

7. The Company's obligations under the Notes are further secured by individual guarantees (the "Guarantees") issued by each of the Guarantors. The liabilities and obligations of the Guarantors under the Guarantees are similarly secured by the Secured Assets.

8. Under the terms of the Share Pledge Agreement, the Pledgors are required to maintain a pledge at all times of such number of voting shares of Multiartha with a market value which, when aggregated with any U.S. Dollars on deposit in the Interest Account, equals at least 210 per cent of the outstanding principal amount of the Notes at such time (the "Minimum Pledge Requirement"). Satisfaction of the Minimum Pledge Requirement is assessed at the end of each 30-day period, with the Pledgors being under a duty to deliver further Shares to the Collateral Agent or make further deposits into the Interest Account so as to ensure that the Minimum Pledge Requirement is met. Failure to comply with the Minimum Pledge Requirement, within a grace period of 30 days, constitutes an event of default under the Indenture.

9. The Company now wishes to restructure its debt obligations.

10. Under the Scheme the following will occur on the Effective Date:
 - a. The Company, the Guarantors, the Pledgors, the Cayman Island Companies, the Trustee, the Collateral Agent (as defined in the Scheme), the Paying Agent (as defined in the Scheme), the Voting Coordinator (as defined in the Scheme) and the Exchange Agent (as defined in the Scheme) shall, automatically and without further documentation or action of any other person, be fully and finally released and discharged from its obligations in respect of or arising from the Existing Debt (as defined in the Scheme), the Notes, the Guarantees and the Security Documents (as defined in the Scheme),

 - b. the Noteholder and Note Investors shall cease to have any claim or right of action whatsoever against the Released Parties (as defined in the Scheme) in respect of the Existing Debt, the Guarantees and/or the Share Pledge. Without prejudice to such release, each Note Investor shall be obliged to execute a further release as soon as reasonably practicable after the Effective Date (as defined in the Scheme) and to deliver such release to the Exchange Agent.

 - c. the Existing Debt (as defined in the Scheme) shall be cancelled and be deemed to have been discharged in full,

 - d. each Security Document shall terminate and the Secured Assets shall be released by the Collateral Agent to the Original Security Providers' Representative (as defined in the Scheme) on behalf of the Original Security Providers (as defined in the Scheme); and

 - e. the Original Security Providers' Representative shall forthwith upon receipt of the Secured Assets pursuant to paragraph (d) above deliver

and transfer such Secured Assets to the Exchange Agent to be applied and distributed in accordance with the terms of this Scheme.

YOUR PETITIONER THEREFORE HUMBLY PRAYS AS FOLLOWS:

- (1) That the Scheme may be sanctioned by the Court so as to be binding on the Company and its Scheme Creditors; and/or
- (2) That such other orders may be made in the premises as this Honourable Court shall deem fit.

DATED this 29th day of October 2004.



WALKERS
Attorneys-at-Law for the Petitioner

NOTE: It is intended to serve this Petition on the Registrar of Companies

ENDORSEMENT

This petition, having been presented to the Grand Court of the Cayman Islands on the 29th day of October 2004 will be heard at the Grand Court of the Cayman Islands on:

DATE: 2004

TIME:

(or as soon thereafter as the petition can be heard).

THIS PETITION was filed by Walkers, Attorneys-At-Law for the Company, whose address for service is that of its said Attorneys-At-Law, Walker House, PO Box 265GT, Mary Street, George Town, Grand Cayman, Cayman Islands