



**The Disclosure of Affiliated Transaction In Relation to the Capital Reduction PT Suwarna Arta Mandiri, Being One of the Subsidiaries Which is Directly and Indirectly Owned by PT Provident Agro Tbk. (“Company”)**

Name of Issuer or Listed Company : PT Provident Agro Tbk.  
 Business : Palm Oil Plantation Business  
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1.	Date of Event	15 September 2020
2.	Type of Material Information or Fact	The reduction of authorized capital, issued and paid-up capital on one of the subsidiaries which are directly and indirectly owned by the Company, namely PT Suwarna Arta Mandiri (“ <b>SAM</b> ”), by way of revocation of Series B Shares, being the shares classification that can be revoked from time to time.
3.	Disclosure of Material Information or Fact	<p>Pursuant to the Deed of Shareholders Resolution on Amendment of Articles of Association No. 47 dated 15 September 2020, drawn before Darmawan Tjoa, S.H., S.E., Notary in Administrative City of Jakarta, the shareholders of SAM have approved to reduce the authorized capital, issued and paid-up capital of SAM by revoking Series B Shares, being the shares classification that can be revoked from time to time, with the details as follows:</p> <ul style="list-style-type: none"> <li>(i) 291.282 (two hundred ninety one thousand and two hundred eighty two) Series B Shares owned by the Company; and</li> <li>(ii) 18 (eighteen) Series B Shares owned by PT Alam Permai (“APE”).</li> </ul> <p>In relation the reduction of the authorized capital, issued and paid-up capital of SAM, the shareholders of SAM have approved that the margin resulting from the issued and paid-up capital before and after the capital reduction shall be distributed to the shareholders of SAM, whose names are registered in AP Shareholders Register dated 31 August 2020.</p> <p><b><u>Relationship of the Parties</u></b>          SAM is a direct or indirect wholly owned subsidiary of the Company, whereby all of the shares issued by SAM are owned by the Company and APE, whereas the Company owns 99.99% (ninety nine point ninety nine percent) shares and APE owns 0.01% (zero point zero one percent) shares of the total issued and paid-up capital of SAM. the Company owns 99.99% (ninety nine</p>

		<p>point ninety nine percent) shares of the total issued and paid-up capital of APE. Therefore, SAM has an affiliated relationship with the Company as governed by Law on Capital Market ("Capital Market Law") and Regulation No. IX.E.1.</p> <p><b><u>Explanation, consideration and reason to conduct the Transaction</u></b></p> <p>The abovementioned capital reduction of SAM will give flexibility to SAM in gaining more efficiency in its capital structure.</p>
4.	Impact of the material information or fact to the operational, legal or financial activities, or the business sustainability of the Issuer or Listed Company	There is no impact whatsoever on any operational activity, legal, financial condition, or business sustainability of the Company.
5.	Miscellaneous Information	AP is one of subsidiaries of the Company which 99,99% (ninety nine point ninety nine percent) of its shares are owned direct or indirect by the Company, therefore AP is a Controlled Company of the Company as defined under Regulation No. IX.E.1. In accordance with regulation Article 2 (b) point 5 of Regulation No. IX.E.1 and Article 6 (1) point b (1) Peraturan OJK No. 42/POJK.04/2020, the transaction between the Company and the Controlled Company where the Company owned at least 99% (ninety nine percent) of shares of the Controlled Company or the transaction between the Controlled Companies whereas the Company owned at least 99% (ninety nine percent) of shares, the Company is only required to report the transaction to the Financial Services Authority no later by the end of the second business days after the transaction occurred.

The Board of Commissioners and the Board of Directors of the Company hereby declare that all material information have been disclosed and such information are not misleading.